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Paris temperatures topped
80 degrees F. French bishops
and priests to lead prayers
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Page 14

EF PRICE CHANGES YESTERDAY
is in pence unless otherwise
indicated)

RISERS	
Newspaper	94 + 3
Close	51 + 3
of Ireland	280 + 10
erfield Prop.	144 + 9
Ever (L.I.)	75 + 19
Duffry	132 + 4
Conversion	165 + 6
son, Org.	258 + 7
sn (J.)	70 + 4
Re Car	175 + 7
population	173 + 7
side-Burmah	57 + 9
Murchison	900 + 20
Fields S.A.	170 + 1
Resources	49 + 5
Industrial	114 + 1
Mining	380 + 20

FALLS	
Advent	147 - 5
ATV-A	85 - 4
Berlford (S. & W.)	149 - 1
British Sugar	275 - 1
Ever (L.I.)	13 - 25
Glavo	380 - 7
Hawker Siddole	440 - 8
Northern Foods	328 - 5
Pikington	219 - 8
Royal Electronics	218 - 8
Rowntree-Mackintosh	220 - 4
Spears (J. & W.)	104 - 14
Tube & Jackson	70 - 4
Tube Invs.	20 - 3
Valor	600 - 5
BP	115 - 1
Tara Exploration	115 - 1

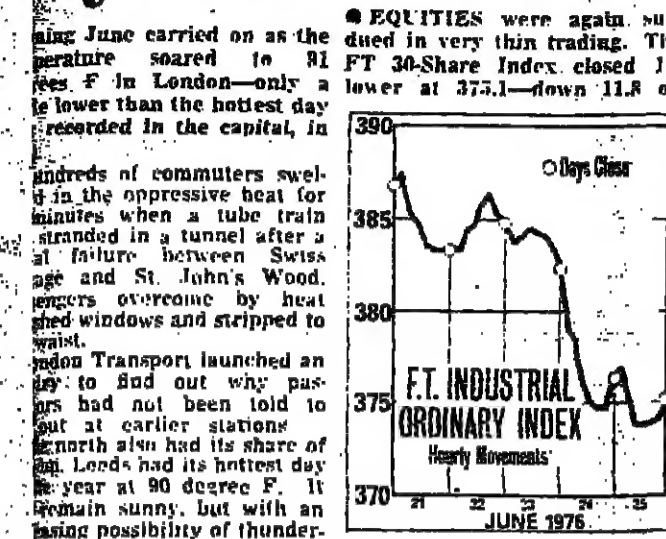
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NEWS SUMMARY

GENERAL

Almost the hottest day
ing June carried on as the
perature soared to 81
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lower than the hottest day
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Equities lose 11.8 on week; gilts dull
● **EQUITIES** were again subdued in very thin trading. The FT 30-Share Index closed 1.3 lower at 373.1—down 11.8 on the week, but only 3.6 off over the Account. Average daily bargain this week, at 4.202, were the lowest since last August.

● **GILTS** remained at a low ebb. But early falls of as much as 1 were cut to 1 or erased. The Government Securities Index eased 0.11 to 62.65, leaving a rise of 0.10 on the week.

● **STERLING** was unchanged at \$1.7228. Its trade-weighted depreciation narrowed to 39.2 (39.3) per cent, while the dollar's narrowed to 2.02 (2.22) per cent.

● **GOLD** rose 25 cents to \$121.875.

● **WALL STREET** lost 4.25 points, slipping 3.93 to 999.84.

● **BUSINESS** CONDUCT Committee of the Chicago Board Options Exchange has voted for a statement of charges against six market makers alleging violations of rules on manipulation of share option prices. Page 11

● **WEST GERMANY** had a big increase in its trade surplus last month. Page 11

Shipping group alleges 'piracy'
● **MARITIME FRUIT CARRIERS**, the Israeli-American shipping group, claims that an "act of piracy on the high seas" is adding to its troubles. The captain of a ship has diverted to Haifa, Israel, instead of Rotterdam, it says. Back Page

● **SWAN HUNTER** Shipbuilders have won a \$6.5m. order for bulk carrier for Sing Line, the North Shields-shipping company. Page 11

● **OFFSHORE OIL** platform yards are unlikely to receive any new orders this year, but three or four may come next year or early in 1978, said Dr. Dickson Mabon, Minister of State for Energy. Page 13

● **FLEET STREET** employers and unions will have to wait several months before knowing whether the EEC will help finance a technological revolution in national newspapers. Back Page

● **PRINTING TRADES** Alliance is the first body to be refused a certificate of independence for trade union and employer associations. Page 13

● **REDIFFUSION** made higher pre-tax profits of £16.31m. (£14.36m.) in the year to March 31, Page 14 and Lex

● **JOHN BROWN** pre-tax profit rose to £17.6m. (£10.54m.) in the year to March 31, Page 14 and Lex

● **WILKINS AND MITCHELL** made a £1.65m. pre-tax loss in the year to April 3, compared with a £0.15m. profit the previous year. Page 14

Kissinger warns Russia on East Europe relations

BY MALCOLM RUTHERFORD

In a major foreign policy statement in London last night, Dr. Henry Kissinger, the U.S. Secretary of State, warned the Soviet Union that the United States could not recognise a Soviet sphere of influence in Eastern Europe.

Dr. Kissinger also insisted that although the West was committed to a policy of détente, there were limits beyond which it could not go. "The West must make it clear," he said, "that co-existence requires mutual restraint, not only in Europe and in the central strategic relationship but also in the Middle East, in Africa, in Asia—in fact globally."

The statement on Eastern Europe—one of the strongest ever made by a U.S. Secretary of State—was plainly designed to refute suggestions that U.S. détente diplomacy has concentrated solely on bilateral relations with the Soviet Union. It also contained an unmistakable warning to the Russians not to intervene in Yugoslavia after the departure of President Tito.

Dr. Kissinger said: "The benefits of relaxation of tensions must extend to Eastern as well as Western Europe. Insisting that there should be no room for misconceptions about U.S. policy, he went on: "We are determined to deal with Eastern Europe on the basis of the sovereignty and independence of each of its countries. We recognise no spheres of influence and no pretensions to hegemony."

The U.S., he said, would persist in its efforts to improve bilateral relations with individual East European countries and would support the efforts of other Western countries to do the same. These remarks represent an explicit renunciation of suggestions emanating from high in the State Department earlier this year that the U.S. should encourage Soviet hegemony in Eastern Europe in the interests of East-West stability.

Close link
Speaking about the limits of détente, Dr. Kissinger said he was concerned that the Soviet intervention in Angola might lead to further interventions elsewhere—even in Yugoslavia, he said, had already stressed the NATO Foreign Ministers, he said, had been stressing the need for stability and security in Europe and in the world as a whole at their meeting in Oslo last month. "We must endorse this," he went on, "not only by our rhetoric, but above all by our actions."

In a specific reference to Africa, Dr. Kissinger warned the Soviet Union not to press its support for the strategic studies.

Labour welcomes new MP but mourns low poll

BY PETER HENNESSY, LOBBY CORRESPONDENT

LABOUR DISAPPOINTMENT at the slump in the vote in the Rotherham by-election was tempered yesterday by the knowledge that the arrival of the new Labour MP, Mr. Sir John Gummer, at Westminster on Monday will see the Government through a series of crucial votes, beginning with the resumed debate on nationalisation of the shipbuilding and aircraft industries on Tuesday.

The 13.1 per cent swing to the Tories, albeit on a low poll of 46.3 per cent, gave a considerable boost to Conservative morale. Lord Thorneycroft, the party chairman, said it showed the Government was "on the way" to a majority.

Labour's slim overall majority in the House of Commons had been restored, but for how long? There will soon be other opportunities for the electorate to demonstrate that Labour Whips were in sight yesterday when the Speaker moved a writ for the by-election in the

Burmah in shares sale talks

BY RAY DAFTER, ENERGY CORRESPONDENT

BURMAH OIL may sell all or part of its holding in the Australian Woodside-Burmah exploration group, a deal which could be worth over £65m, based on yesterday's market prices.

In a terse statement, Burmah said that it was holding preliminary talks with Broken Hill Proprietary.

If the deal goes through it will be the latest in a line of fundraising exercises aimed at helping Burmah to extricate itself from financial problems.

The company concluded a £290m. arrangement just over a month ago, involving the sale of its North American oil and gas interests to R.J. Reynolds.

The diversified U.S. industrial group, On Wednesday of this week, it disposed of part of its remaining shareholding in British Petroleum for £17.8m.

Burmah sold its main BP holding, representing 21 per cent of the equity, to the Bank of England in January last year for £179m. The shares are currently worth about £500m, and Burmah has appealed to the Bank to reconsider the deal.

News of the negotiations added 1p to Burmah shares, which closed at 42p. Woodside-Burmah shares rose 9p, to 87p in London, while Broken Hill shares here rose 10p, to 830p.

Burmah's holding represents 75.22m. of Woodside-Burmah's 150m. shares. If the deal is concluded, Burmah will not only receive a cash injection, but will also be relieved of possible heavy

Polish protest stops food price rise

Puerto Rico talks begin to-morrow

By Our Own Correspondent
WARSAW, June 25.

THE POLISH Government last night withdrew proposed food price rises—averaging 39 per cent—after workers ripped up railway lines outside Warsaw and strikes spread across the country.

Mr. Piotr Jaruzelski, the premier, announced in a five-minute television broadcast that the draft law would be held back for further consideration—which would take several months.

He said the proposals had been constructively received by a majority of workers consulted and had provoked so many proposals and suggestions that the Government needed time to look at them carefully.

The increase, which amounted to 100 per cent, on some items, followed a five-year freeze. In December, 1970 food price rises topped the Government of Mr. Gomułka.

The decision to back down is in line with the style of the Gomułka leadership, which has always laid stress on doing something to meet popular demands, whether over the controversial constitutional changes earlier this year or accommodation with the Catholic Church.

The strikers held up the Warsaw-Paris Express by ripping up rails at one end of the train and hurling metal barriers and wooden sleepers across the track at the other.

They said they would not release the train until the Government dropped its price increases altogether or greatly cut back the size of the rises.

The strikers from the nearby Ursus tractor factory, first set on the lines to halt trains into Warsaw. Then they cut a rail and placed barriers in front of trains.

The workers said: "The whole of Poland is on strike today. The Zetun minor car workers across the Istula river are on strike, and men in the shipyards on the coast are also out."

The strikers were echoing the action of the workers on the Baltic coast who reacted with strikes and demonstrations in which many lives were lost 52 years ago.

Then there was a change in leadership from Mr. Gomułka to the present First Secretary, Mr. Edward Giersek. Two months later the price rises were rescinded and left at levels which remained in force until now.

Mr. Jo Grimond yesterday attacked the two major parties for acting as if the seven minor parties at Westminster did not exist.

In a letter to Liberal candidates he likened the ritual game of the Commons to "those clouds of gauze one sees rising further and further into the air all absorbed in their own affairs."

Mr. David Steel, a candidate for the Liberal Party leadership, attempted last night to defuse the rhetoric of the week's exchanges between the rival camps by telling a meeting in Plymouth: "There is no sense in which I regard John Pardon as an enemy."

Charter Consolidated announced yesterday that it had agreed to take a 10 per cent stake in a North Sea consortium of British and American companies to be led by Burmah. The group is to apply for production licences in the forthcoming fifth round of allocations in U.K. waters.

WESTERN WORLD leaders will continue the delicate task of putting sustained international economic recovery, without provoking a new outburst of inflation, at the two-day summit that opens in Puerto Rico to-morrow.

The meeting, called by President Ford, will be along the lines of last December's Rambouillet summit, held at the invitation of French President Valéry Giscard d'Estaing to review international economic and monetary developments in relatively informal surroundings.

The Puerto Rico talks follow directly on the heels of the OECD meeting in Paris at the beginning of this week, at which Ministers agreed on annual growth targets of 5 per cent, or more for the rest of the decade in the hope of substantially reducing unemployment by 1980.

As at Rambouillet, the seven nations present will be the U.S., Canada, Japan, Germany, France, Britain and Italy. The EEC as such will not be represented. Despite strenuous efforts by the smaller member countries to organise an official Community presence.

Each leader will introduce a separate topic. President Ford will lead on the international economy, and President Giscard on international monetary and financial affairs. Herr Helmut Schmidt, the West German Chancellor, will deal with relations with the developing countries and Mr. Takeo Miki, the Japanese Prime Minister, with trade.

Mr. Pierre Trudeau, the Canadian Prime Minister, will introduce discussions on energy. Mr. James Callaghan has East-West relations and détente, and Signor Aldo Moro, the Italian caretaker Prime Minister, international institutions. The talks are due to start to-morrow afternoon and finish after lunch on Monday.

No major concrete decisions are expected to emerge from the meeting. British sources were yesterday discounting speculation that the summit will discuss a massive new package of financial aid for Italy on the grounds that the shape of the new Government is still totally unclear and Italy's balance of payments problems are not urgent at the moment. Southern Africa may be raised by Dr. Kissinger. If there is a separate meeting of Foreign Ministers, it will be on Monday.

Continued on Back Page

Bank acts with loans to hold MLR down

BY MICHAEL BLANDEN

THE BANK OF ENGLAND took weekly tender, and has been pushed up twice in recent months as part of official efforts to protect sterling.

The Bank is now clearly re-suing any further increase from the 11 per cent, at which MLR has stood since May 21. The authorities appear to feel that a further rise in rates would be undesirable in its effort on the domestic economy and unnecessary in relation to the sterling situation.

The pound has remained fairly steady since the \$5.3bn. standby credit for Britain was announced on June 7, apart from a temporary drop under speculative pressure on Thursday morning which required some official support. Yesterday the exchange markets remained sensitive, but in quiet trading the pound closed unchanged at \$1.7228, its effective depreciation narrowing from 39.3 to 39.2 per cent.

The Bank's tactics succeeded in holding the average Treasury bill rate at 11 per cent, threshold formula related to the average weekly tender from £500m. in Treasury bills at the MLR increase.

At the same time, the Bank reduced the pressure on the houses by cutting the amount of Treasury bills being sold at the weekly tender from £500m. to £450m.

MLR is determined by a formula related to the average weekly tender from £500m. in Treasury bills at the MLR increase.

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Your savings and investments

Investors' new body

BY CHRISTOPHER HILL

THOSE OF us who have had much to do with associations usually look on them as more to the "dead hand" of bureaucracy than being in the interests of investors. But hopefully this will not be the case with the proposed Association of Independent Investment Managers which should get off the ground later this year. The difference with this association—which we foreshadowed on its page earlier this year—is that it represents an "outsider" jumping rather than the inner circle of investment circles. That it aims to do is to lay down standards for the indi-

viduals and various firms which claim to offer independent investment management and to promote their advantages. It starts off from a position of having to try harder because its members are competing with stockbrokers, professional advisers (like accountants), merchant banks and fund groups which have already made an established impact on the public.

I must say that I welcome this nascent association to the long list of others because it will at last give a yardstick for measuring the relative worth of the host of independent investment managers who have sprung up in the past few years. The real problem for the commentator when considering the merits of these firms is to decide whether their integrity is up to scratch. This is what the new association aims to ensure, with a code of conduct and auditors' certificates (Peat Marwick being in the auditor's seat), rather than

vouching for their members' professional competence in managing investments.

Of course, a number of the aims—such as adequate insurance cover for members—are less immediate than others. But it looks as if between 25 and 35 firms might belong to the association. These might well represent total investments of £100m., giving the association a reasonable credibility, despite the fact that it will probably not have a permanent secretary in the early stages. Currently the moving spirit behind the steering committee seems to be John Carrington (with a company of the same name) who, as an ex-journalist, has been deputed to bring the association to the public's eye. The secretary is A. E. Wieler of Antony Wieler and Company. I must say the first item I—and I suspect other investors—will welcome is a brochure listing the members who have passed the qualification tests.

Doubts on the dollar premium

BY ROY LEVINE

THE BULL market in the investment currency premium is over, according to some fund managers. As the graph shows there has been a dramatic rise since May, 1973, since when the premium has risen from about 15 per cent to around 120 per cent.

The premium represents the extra cost to U.K. residents of investing abroad imposed by the exchange control regulations, which restrict access to foreign currency for this purpose by requiring investors to buy from a limited pool of funds. The actual cost of the premium, however, is substantially less than the quoted rate, for the convenience of the market is based on the old sterling parity rate of \$2.60.

At the beginning of 1974 the premium of 44 per cent, for 26.7 per cent, effective at a rate of \$2.28, was predicting that the sterling rate would fall to about \$1.90.

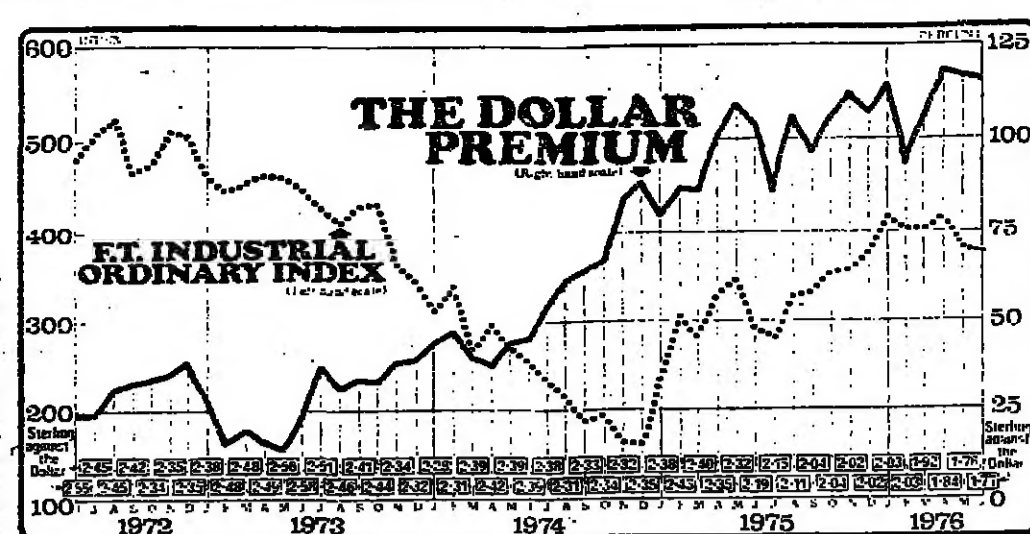
Even when the FT index turned up in 1975, demand for premium dollars was sufficiently buoyant to keep the premium increasing. The level of the premium at any time is a direct reflection of the current supply and demand position in the limited market for premium currency.

The market value of foreign securities held by U.K. residents at the end of last year was \$6.6bn.; this does not reflect the value of the premium pool because not all of that investment will be financed through the premium. The institutions, but not individuals, can bypass the premium by raising foreign loans while depositing sterling loans in this country of an equivalent amount as security.

This "back-to-back" procedure, as it is called, has its dangers, too. If sterling moves down against the foreign currency more pounds must be deposited in the U.K. to cover the difference and this often reduces overall liquidity in a fund. Furthermore, the Bank of England insists that a foreign portfolio can only be financed by loans to the extent of 85 per cent—the rest must be paid for in investment dollars. So if the foreign portfolio goes down in value, more investment dollars need to be bought.

There is often the mistaken belief that the premium moves contrary to sterling—when the pound falls, the premium goes up, reflecting the flight of funds to more attractive economies. But in 1974, for example, the premium doubled to over 80 per cent, while the exchange rate stayed almost the same.

In that year the premium moved up when the FT Ordinary Share Index was falling



large rise in the premium in 1974 when many of the world's stock exchanges were falling. Naturally fund managers are keen to avoid a high exposure to the premium especially in view of the present uncertainties that surround it. A further constraint is the loss of a quarter of the premium on any sale of securities (the 25 per cent surrender rule) when ever holdings are switched. So most portfolios to-day strike a balance between premium shares and shares financed through loans.

Often a portfolio will be artificially split between the blue chip shares held long term through the premium (to avoid short-term switching) and more volatile shares held on a short-term view and backed by loans.

Individuals do not even have this choice, so that the extra expense involved in switching overseas shares (about 8 per cent, at current levels) has understandably led to a falling off in trading of overseas shares. This has been particularly noticeable since the 25 per cent surrender rule was extended to

South African and Australian shares two years ago. The contraction in trading following the end of the gold shares boom has recently led to the withdrawal from the "kaffir" market of one of London's three jobbers in this market, Stocken and Lazarus. The position is thought so serious that the Stock Exchange is to ask the Treasury to abolish the surrender rule or at least reduce the rate from 25 per cent—its formal document will be presented early next week.

But with sterling perched as precariously as it is now, the Treasury is not expected to grant any concessions, especially since the Stock Exchange cannot offer any "quid pro quo" for the estimated £180m. a year that goes into U.K. reserves as investors sell overseas shares.

The Stock Exchange is worried that trading of "kaffir" and other overseas shares will move to other financial centres and indeed this has already happened to some extent. There is an increasing

reluctance by investors—private and institutional alike—to buy into foreign shares with the effective premium near 50 per cent.

To some extent, this feeling arises from the short-term view that the pound will not continue to fall as fast as it has so far this year. So the incentive to hedge is naturally reduced. After all, for every premium dollar one buys, one is only getting \$1.18 for each pound.

The market in the premium—controlled by seven City institutions—is very narrow at the moment and a seller of any size could quite easily depress the level of the premium. Of course, the reverse applies, too, if a strong buyer came into the market. But on balance that seems unlikely since, as many fund managers point out, the potential in many overseas markets does not look sufficiently strong over the short-term to compensate for the additional costs and risks of investing through the premium. So the weight of opinion at the moment is that the level of the premium will gradually drift downwards.

Land Bank Fund

PART FROM Property Growth and Robert Silk fund, there are a few ways for investors to get money in agricultural land; the medium itself has had ups and downs. At one time, remember, people looked upon

agricultural land as the one bastion of resilience in a flood of reduced values, but even that eventually had to fail in 1973-74. Now agricultural land has again improved its image and this had led to City of Westminster re-opening its Land Bank Fund—which aims for long-term growth through investment in agricultural land.

Like City of Westminster itself, the Land Bank Fund has had a varied history and has passed through several management hands before ending up in its existing form as a fund aiming to get the best out of agricultural land. Previously it was a dealing fund which was in business to maximise development potential—and on that basis did very well for the pri-

or has risen from 25p in 1971 to 46.7p. But the fund, having started off with a one-month offer in 1971, is still only worth around £4m. and it is interesting to note that £280,000 of this is now represented by the recently purchased 400 acres in the Eastern counties. The latter is let to Gaudery Farm Management, also part of the Sentry group which owns City of Westminster.

This tends to be par for the course with agricultural funds, but I cannot help thinking that at this stage that the fund is more like a farm syndicate and that investors should be aware that the spread of investment is, to say the least, limited. Previously, the fund was in mainly in cash.

Lawson Link-up

REGULAR SAVINGS in unit trusts is best done by means of life policy linked to the units. With such schemes the investor can claim tax relief available on life assurance regular savings contracts amounting to 17½ per cent of the premiums, which more than offsets the cost of the life cover. This in itself can be a valuable fringe benefit or available through direct unit trust investment.

Many unit trust groups have

found that their unit-linked schemes are one of their main sources of unit sales, providing a steady income into funds. Some have gone for linking in a big way. Therefore it was with interest that I learnt this week that Freddy Lawson, the latest trust entrepreneur, is linking up with Royal Assurance in launching his linked scheme. Royal at present underwrites the Arbutnot regular savings plan.

I understand that it will be an open-ended contract with premiums payable over 20 years. There will be a front-end loading of three months on the scheme, which is rather higher than normal, but the allocation at the young ages at 95¢ per

cent, rising to 96 per cent, is about average for this type of contract. The guaranteed death cover at 180 times the monthly premium is the minimum necessary for tax qualification, but the plan has not followed the normal form for maximum allocation—a 10-year policy with options to continue. Investors will be able to link their policy with any of the Lawson funds and marketing will also be done by Lawson. The minimum monthly premium will be pitched at £10, by no means the lowest in the market. This is somewhat surprising since Freddy Lawson will take £100 for a lump sum outlay—the lowest available.

European options

TALKING ABOUT the proposed new European options exchange with emissaries of the U.K. stock exchange always tends to give the impression that the U.K. will emerge as the natural leader of any European initiative. But, discussing the matter with Dr. Lubbertus Scholten, Secretary of the Amsterdam Stock Exchange, gives one a somewhat different perspective. In that the Amsterdam exchange seems prepared to go forward with the idea of an international

options exchange at a faster pace than the U.K. stock exchange.

Basically, the Amsterdam stock exchange has been prepared to follow the U.K. stock exchange as long as it seemed to be taking a positive lead. Researches have been going along on much the same lines as in the U.K. and—although there has been no round-robin of institutions in the Netherlands to ascertain their views—the feeling there is that the institutions are interested. There is also the will to go for the public demand in that the Amsterdam Stock Exchange has a special committee on "education." It is hoped that this will

so along the same lines as that of the Chicago Options Board in that people will be sent out to explain everything to the stockbrokers and the banks in other European institutions.

But perhaps the main difference between the U.K. Stock Exchange and the Amsterdam Stock Exchange at the moment is that the latter has a clearer idea of where it is going. While the U.K. Stock Exchange has approved in principle the idea of an options exchange it is still wondering whether the new market can be grafted onto the existing jobbing system in the U.K.—which while it may have its merits in promoting a free

market—is out of line with both U.S. and European systems.

The attitude the Amsterdam Stock Exchange is taking is that it wants to make a complete break between the existing stock exchange system to form an option market and to model this as closely as possible on the lines of the Chicago market. The reason for this is that the Chicago market has proved to work and will therefore make a European options market much easier to achieve.

Dr. Scholten said last week that what the Dutch wanted was "a separate floor with a separate governing body" and that it hoped to make the options exchange a "truly

international affair." In this respect the Amsterdam Stock Exchange feels that it has certain advantages over London (the absence of the dollar premium in particular) and that it already seems to be the centre for inquiries by American brokers to set up pitches in the option market. The Amsterdam exchange hopes that by September other European exchanges will have made specific commitments to the option market, not only as a vague expression of approval but in terms of financial commitment. One cannot help thinking that the initiative is slipping away from the U.K. market.

How Save & Prosper unit trusts can help you achieve your investment objectives.

In today's economic conditions many investors are finding it more difficult to build up and maintain a portfolio of stocks and shares that adequately meets their needs.

To obtain a wide spread of investment and to ensure proper supervision of a portfolio can be costly and time consuming. This is particularly so when

investing overseas.

Selective investment in the Save & Prosper range of unit trusts can help you overcome these problems and also open up for you investment opportunities not readily available to the private investor.

Each of our unit trusts has a clearly defined aim and investment policy and among them there is almost certainly a

trust that meets your requirements, whether you are investing on your own behalf or on behalf of a child.

By selecting from our unit trusts, or by making use of investment services which can be linked to them, we can help you achieve many of your objectives in a simple and tax-efficient way and at a reasonable cost.

Securing a balanced international investment in shares

A major difficulty confronting the private investor, especially if he is investing for the first time, is obtaining an adequate spread of shares across different sectors, given a limited amount of capital, and ensuring the effective management of his holdings.

One of our funds with widely-diversified international portfolios could well be the answer in this situation. They provide a well-balanced investment across many sectors and countries for a comparatively low initial investment. The managers have the freedom to invest internationally and can take advantage of new opportunities as these arise.

Once an investment has been made in this type of fund you have effectively transferred to our professional investment managers all the day-to-day decisions relating to the control of your investment.

Investing in overseas stock markets

Direct investment in overseas shares has many attractions for private investors as it allows them to participate in the economies of other countries experiencing high growth rates. Against this, however, there are the practical difficulties of obtaining investment currency, Exchange Control regulations and the monitoring of overseas companies.

We have considerable experience in overseas investment, including the handling of multi-currency loans, and we offer a number of funds which specialise in specific geographic areas. These currently cover investment in the United Kingdom, Continental Europe, Japan and the United States. By investing in these funds you not only bypass the practical problems of overseas investment but you also secure a broad spread of investment within a particular area.

Obtaining an income from stocks and shares

In general, the higher the yield from shares the higher the risk and for this reason investors requiring an income from shares should have the widest spread possible.

We offer broadly-based funds which meet two distinct income requirements. First, there are those funds which provide a high income from the outset. Secondly, there are funds that provide a lower initial income which should increase in the years ahead.

Investing in specialist sectors

From time to time certain stock market sectors will appear to offer better prospects than others and you may well wish to take advantage of these opportunities. However, obtaining an adequate spread of risk within a particular sector can be difficult unless you can commit a considerable amount of capital.

A practical solution is to invest in our range of specialist funds which cover commodities, energy, finance and property shares. By carefully selecting from these funds and from those invested in certain geographic areas you can build up a complete portfolio and you can easily adjust the overall balance to take account of changing trends.

Investing for children

One of the simplest ways of investing for children in stocks and shares is by way of a gift of a unit trust. Particularly suitable are the broadly-based unit trusts which we offer.

Although Capital Transfer Tax has made it more difficult to pass substantial sums of money to your children, certain important exemptions are allowed. These permit a husband and wife each to pass at least £2,000 a year to their children. A gift of units is an attractive way of using these exemptions.

Share exchange

Increased charges on smaller deals, and an increasing volume of paperwork make the supervision of a share portfolio expensive and time consuming. Increasingly the need is for full-time professional management at a realistic cost. For this reason many investors are now exchanging their shares for units through our Share Exchange Plan.

If we can accept your shares as part of one of our portfolios we will give you the market offer price for them, usually 2-3% more than you would receive by selling them at the market bid price. Where we are unable to accept shares into our portfolios, we will arrange to sell them for you, normally without making any deduction for the costs of commission and stamp duty incurred.

The Plan is available for portfolios currently valued at £500 or more. An exchange of shares will be considered a disposal for capital gains tax purposes.

Building up capital out of income

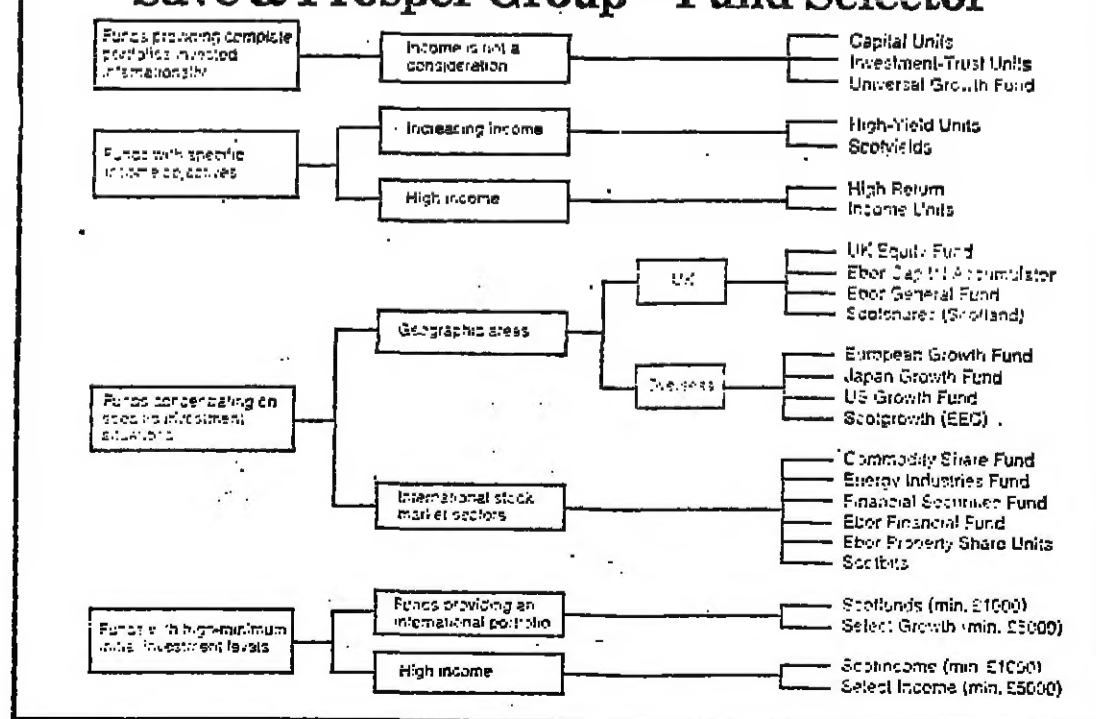
Regular investment in a unit trust through one of our savings plans is one of the best ways of building up capital. In this way you may start to build up a unit holding at once and also avoid some of the problems of timing your investment. At present we offer three regular investment plans.

The Monthly Investment Plan is for investors wishing to invest £10 or more each month in a unit trust over a number of years without life assurance.

The Save-Insure-and-Prosper Plan and the Flexible Ten Plus Ten Plan enable you to save regularly in most of our unit trusts with the added benefit of life assurance and tax relief.

Save and Prosper Group has 17 branches throughout the country, and anyone of these would be pleased to arrange for a representative to contact you to discuss our unit-linked insurance plans.

Save & Prosper Group—Fund Selector



Your next step

For further information about our unit trusts, please consult your usual professional adviser or contact:

Customer Services Department,
Save & Prosper Group Ltd.,
4 Great St. Helens,
London EC3P 3EP.
Telephone 01-554 8899.

Professional advisers should contact Save & Prosper Services on 01-831 7601. This is the company specially set up to provide them with guidance and information on all our services.

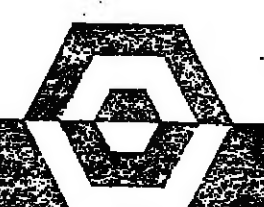
About Save & Prosper

Founded in 1934, Save & Prosper manages around £700 million for 700,000 people and offers a comprehensive range of investment services through which many differing financial objectives can be achieved.

The Group is a member of the Unit Trust Association.

SAVE & PROSPER GROUP

Not applicable to E.S.



The week in London and

Gilt rally peters out

ONLOOKER

Business in both equities and gilts came almost to a halt yesterday. Sterling started to look a little unsettled on Thursday, falling momentarily below what now looks to be a Government support level of \$1.7700. And that quickly put an end to the gilt market's modest attempts at a rally. Dealers were barely able to settle their yawns yesterday, while in equities volume was equally flat with bargains marked falling to a five day average of 4,200. On the week the 30-Share Index is 11.8 points lower at 375.1 for a decline over the account of 3.6 points. It is now just 10 points above the year's low. Rights issues have dried up with just over \$9m. raised so far this month.

The Government broker was to be found selling both the long and short tape earlier in the week and business was relatively brisk. Gilts are ahead on the week but activity has been a very flat market over the past two days. All in all, markets are settling firmly into a mid-summer torpor.

Styles apart

Contrasting styles in food retailing came to light on Wednesday when Tesco unveiled its results. These had been widely predicted so there was no surprise in a slow down in profits growth from 12 per cent. to just over 5 per cent. over the two halves of the year leaving 1975-76 just 71 per cent. higher at £25m. pre-tax. But the pressure on trading margins might have lifted the odd eyebrow. These dropped three-quarters of a point to 4.1 per cent. and they contrast strikingly with Sainsbury, where margins improved over the same period. The squeeze at Tesco has been part of a deliberate policy to increase market share at the expense of profitability, but judging by a 21 per cent. sales increase in the latter part of the year against 20 per cent. by Sainsbury, the policy looks successful. However, differing store opening programmes distort the comparison between the two groups, while Tesco's considerable involvement in non-food items means that the underlying rate of price inflation would have been less than at Sainsbury's. Some two-fifths of Tesco's selling space is given over to non-food lines.

Tesco's attempts to stem the downward slide in gross margins and actually increase them

this year could take some of the heat out of high street competition. Faced with depressed market conditions the food retailers as a whole have been pushing for volume, and gradually profit margins have been slimmed down to the extent that Government controls no longer have any bearing on gross margins. A slow down in the rate of cost inflation could produce a turning-point in profit margins, but nevertheless the outlook for sales remains dull. And as a result share prices in the sector are unlikely to add much to the burst of relative strength achieved following last month's figures from Sainsbury.

Merchant banks

Hambros' results sparked a favourable market reaction this week. Profits are up from £3.1m. to over £5.2m. at the net level in line with the recovery trend shown by most other recent figures from the merchant banking sector, and on the week the shares are 15 per cent. higher at 190p. But ahead of its results Hambros had been displaying marked relative weakness, and in general the market's attitude to this sector is still very cau-

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 27

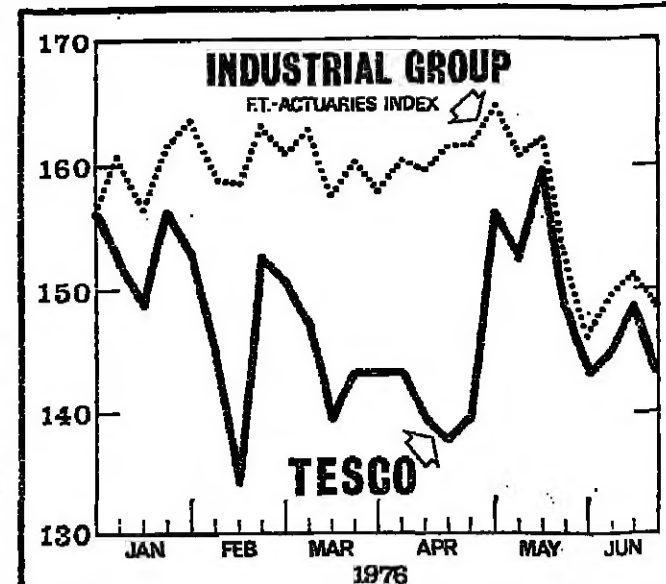
	% change
Property	+1.7
Engineering (Heavy)	+1.1
Breweries	+0.9
Motors and Distributors	+0.8
Newspapers, Publishing	+0.7
Electricals	+0.4
All-Share Index	+0.3

THE WORST PERFORMERS

	% change
Insurance (Composite)	-4.8
Building Materials	-4.9
Packaging and Paper	-5.9
Hire Purchase	-6.9
Contracting, Construction	-7.0
Household Goods	-7.9

tionous. Our index has fallen 16 per cent. since January to put merchant banks at the bottom of this year's performance charts.

The market's caution is easy to understand. Profits generally may be recovering—this week also saw figures from Leopold Joseph, which were up from £0.47m. at the net level to £0.51m.—but the immediate outlook for the sector remains



uncertain. Lending demand in the U.K. is still very slack and because of their relatively small size merchant banks are unable to compete on equal terms with the clearing banks in international markets. At the same time a number of high-risk business areas are still a problem. This point was driven home by both Hambros and Leopold Joseph. The former's profits were shown before a write-off of around £4.3m. against shipping losses, while LJ's figures took loan provisions of £150,000 into account.

Debt lag
J. Lyons is still edging across its tightrope. Thursday's profits for 1975-76 were up to forecast but the year has produced precious little cash flow and debt has continued to climb. Borrowings now total around £225m. which contrasts strikingly with tangible net assets of about £75m., excluding £60m. of goodwill—and this at the end of the year that included a £104m. rights issue plus some £14m. of property disposals.

Overseas debt is Lyons' major headache. This amounted to around £170m. at the year end, more than a tenth of which was unmatched by foreign assets, and these liabilities lift financing costs as well as reducing net assets. The upshot for 1975-76 is a pre-tax profit of £10m. after interest charges of £19m., so Lyons has recovered to a level of profits seen in 1973. But the dividend is uncovered, and at 81p. against a 1976 best of 12.12p. — the shares yield 12.5 per cent. There are

strong indications that profits can continue to move upwards this year. But for the moment the group remains stuck fast in what look like very sticky waters, and what it capitalised some hefty financing costs last year is not the sort of accountancy treatment to inspire stock market confidence.

Bid slip

Sun Life's offer for Artagen Properties—one of the more acrimonious of the current crop of small but nonetheless stubbornly contested bids—closes a week on Tuesday so Wednesday's disclosure that an error had crept into the calculations of share acceptance was just a wee bit embarrassing. Some one—apparently a "large" institutional client of the vending brokers—double counted 4m. shares with the result that Sun Life was a shade too optimistic in its acceptance claims when it made its third and final offer of 90p. At the last correct count Sun Life had not quite 441 per cent. of Artagen, the offer goes unconditional at 50 per cent. and the Artagen share price is now almost two-fifths above its bid levels. In contrast J. Bibby's share price has actually eased this week despite further buying by Tiger Oats and National Milling.

The South African group has lifted its stake in Bibby from 26.9 per cent. to 28.4 per cent. this year, according to Wednesday's disclosures. But the bulk of this holding dates back to 1974, it already has two representatives on the Bibby Board and the Bibby family holding amounts to close on 30 per cent.

New York

More secure

BY JAY PALMER

NEW YORK, June 25.

THE DOW JONES index passed through the magic 1,000 level again this week. Although on all previous occasions the atmosphere at this level proved too rarified—and to-day's three-point fall to 998.84 could, of course, be the start of a repeat downward performance—there seems a growing conviction that this time the footing is a little more secure.

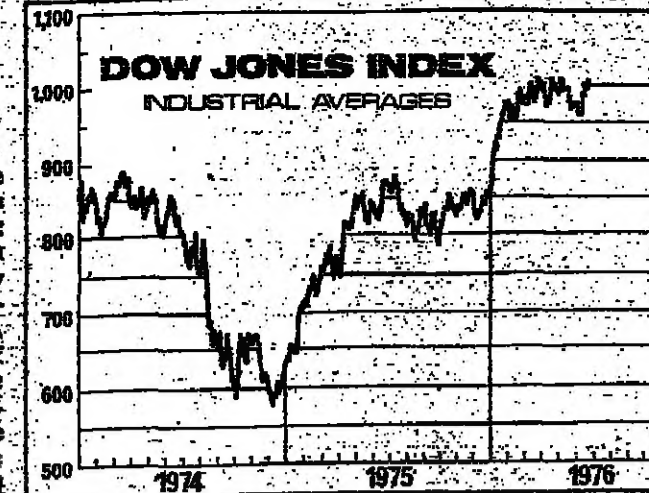
Admittedly the downward corrections over the last few months were not of the magnitude originally anticipated but nevertheless the basic drift lasted long enough to suggest that the underlying bearish sentiments may now be exhausted. With signs of institutional buying again developing, Wall Street may now be close to breaking out of its old 950 to 1,010 trading range.

As far as the economic indicators go both bulls and bears seem to be able to find support for their positions. On the plus side for example, personal income is growing briskly, industrial production is up, monthly unemployment figures are showing improvements while the rise in consumer prices is

generally less than feared. But at the same time, the ever-present pessimists can point to the sluggish housing starts, the apparent slump in retail sales and the stubbornly high weekly figures for unemployment compensation claims. Hardly surprisingly in view of these differing signals, no-one seems to be quite ready to suggest that all the omens are ripe for a surge.

At a fundamental level—and this was bolstered further by yesterday's money supply figures—the market now seems to believe that the federal reserve has managed to gauge correctly the degree of tight-money policy required to limit a new spurt in M1 and M2. Although somewhat worried by general forecasts that interest rates are likely to climb slowly for the remainder of the year, the onerous of inflation is no longer quite such a minus.

If the market does manage to go ahead and pass its existing all-time high (1,051 on the DJII), that would leave it firmly on what technical analysts would describe as the third leg of the bull market.



forecasting an eventual plateau at around 1,200, everyone is vying Wall Street, one set gleefully noting that bull market third legs usually last the longest, distinct contrast with the seen in the DJII and other dices over the past 18 months. U.S. Mutual funds have been generally poor performers with only the barest few managing to beat the market.

Day	Close
Monday	1,007.45
Tuesday	997.63
Wednesday	996.56
Thursday	1,003.77
Friday	999.84

Mining

They can't go it alone

BY KENNETH MARSTON, MINING EDITOR

ESSENTIALLY, MINING is a game for optimists. Risks have to be faced all along the line from the early days of exploration—only about one in a hundred prospects ever comes to anything—right the way through the years of mine construction to eventual production. And even then, most mines are dependent on the fluctuating fortunes of a single commodity.

Nor are things getting any easier. For a start, most of the more obvious "plums" have been picked and the exploration teams now have to probe the more remote and inhospitable areas of the world such as Australia's steamy Northern Territory or the Canadian Arctic. Furthermore, lower ore grades have to be accepted.

The mining industry can cope with these problems, but what is far more daunting is the task of financing the generation of new mines upon which the world will depend for its metals towards the end of this decade. Such is cost-escalation that figures in the region of \$500m. (£282m.) or more for a new large-scale operation are now commonplace.

This kind of money is not going to be provided for much longer without a reasonable degree of investment confidence. But Mr. Sidney Spiro, who is about to retire as chairman of Charter Consolidated, has said this week that "with the experience in recent years of investment agreements being unilaterally abrogated or substantially eroded by host governments there are now relatively few areas in the world where such confidence can be felt."

Clearly, this is a problem that must be tackled fairly soon and it is encouraging to note—for the sake of all of us as metal consumers and some of us as mining investors—that it is now being discussed at international level and, in particular, within the European Community.

Charter's scars
Charter has had its full share of disappointments in recent years, the last being the decision

to suspend work on the \$800m. (450m.) Tenke-Fungurume copper project in Zambia. Largely because of the political uncertainties and economic problems of that part of Africa the further finance needed for the project was not forthcoming.

Charter and its partners in Tenke-Fungurume are determined to resume work on the venture and present thinking is

that it will again go ahead, but on a reduced scale than that previously planned. Another problem child for Charter is the Cleveland Potash operation in Yorkshire. In a nutshell, the difficulty here is one of raising a potash seam which is undulating and varying in width.

Production is running at only about 13 per cent. of the planned annual rate of pm.

TIN OUTPUTS COMPARED

	May 1976	Apr. 1976	Total to date (months)	Same period previous year
Anal. of Nigeria (tin)	197	185	382	394
Anal. of Nigeria (columbite)	112	110	222	222
Aokan	118	109	227	227
Ayer Hitam	361	397	758	758
Bisichi Jantar (tin)	20	178	198	198
Bisichi Jantar (columbite)	22	1	23	23
Ex-Lands Nigeria	58	52	110	110
Gervont	180	178	358	358
Gold and Base (tin)	30	30	60	60
Gold and Base (columbite)	180	178	358	358
Gopeng	180	178	358	358
Hongkong	180	178	358	358
Idris	180	178	358	358
Kanungur	180	178	358	358
Kent (FMS)	180	178	358	358
Killinghall	180	178	358	358
Kinta Kelas	180	178	358	358
Kuala Lumpur	180	178	358	358
Lower Perak	180	178	358	358
Malayan	180	178	358	358
Pahang	180	178	358	358
Pengkalen	180	178	358	358
Petaling	180	178	358	358
Rahman	180	178	358	358
St. Piran—Far East	180	178	358	358
St. Piran—U.K. (South Croft)	180	178	358	358
Southern Kinta	180	178	358	358
Southern Malayan	180	178	358	358
Sungai Way	180	178	358	358
Tanjong	180	178	358	358
Tongkah Harbour	180	178	358	358
Tropon	180	178	358	358
Ulu of Nigeria (tin)	180	178	358	358
Wheal Jane	180	178	358	358

in Australia, prospects for the £168m. (108m.) Norwalk Park venture in Queensland have proved following the grant higher export quotas by Australian Government. It are that the rules regarding additional exploration on Norwalk Park—85 per cent. owned by the U.S. Utah International and 15 per cent. by Mitsubishi.



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New mining men using different machines are being applied. It is hoped that this will improve the most work expands into the Yorkshire. In a nutshell, the difficulty here is one of raising a potash seam which is undulating and varying in width.

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MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1976	1976	
	Yday	Week	High	Low	
F.T. Ind. Ord. Index	375.1	-11.8	420.8	334.7	Lack of Support
Treasury 3% 1979	£88 1/2	+ 1/2	£88 1/2	£83 1/2	Specialist demand/no stock
BP	600	-28	685	575	Poss. threat to U.S. interests
Chesterfield Property	144	+19	150	102	Demand in this market
Costain (R.)	190	-18	244	190	Depressed market sector
Development Secs.	380	+60	425	215	Sale of Dorchester hotel
Ellis and Everard	97	+10	120	87	Bid hopes
Gill and Duffus	175	-17	292	128	Fading bid hopes
Hambros Bank	190	+25	224	165	Poss. float of Hambro Life
London & Overseas Freighters	32	- 5	40 1/2	30 1/2	Poor results
Martin (Tom)	78	+23	78	48	Bid talks in progress
Newton (J. M.)	46	+10	46	30	Speculative demand
Norwest Holst	56	+ 6	57	38	Results
Pancontinental	£14	+ 1	£19 1/2	725	Brokers' recommendations
Property Holdings	230	+20	244	195	Increased annual revenue
Robb Caledon	42	+12	54	30	New vote on nationalisation bill
Shell Transport	430	-22	462	378	Poss. threat to U.S. interests
Warren (James)	70	+17	70	35	Speculative demand

U.K. INDICES

Average week to	June 25	June 18	June 11
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FINANCIAL TIMES

Govt. Secs.	62.73	62.46	62.23
Fixed Interest	62.31	61.94	61.65
Indust. Ord.	68.04	68.23	67.99
Gold Mines	168.2	180.1	186.7
Dealings mtd.	4,202	4,381	4,693

FT ACTUARIES

Capital Gds.	143.37	144.31	143.16
Consumer (Durable)	124.02	125.49	124.90
Cons. (Non-Durable)	145.28	147.25	145.33
Ind. Group	150.37	152.30	150.71
500-Share	167.85	170.14	168.39
Financial Gp.	124.05	124.73	123.37
All-Share	156.62	158.35	156.64
20-year Govt.	49.22	49.01	48.82
Red. Dobs.	50.79	50.63	50.57

TV Radio

BBC 1

9.00 a.m. *Magnum*. 9.15 *Yogi's Gang*. 9.30 *Sam and the River*. 10.00 *On the Move*. 10.10 *Play Tennis*. 10.30 *The Little House on the Prairie*. 12.10 p.m. *Cartoon Time*. 12.25 *Charlie Chaplin in 'The Vagabond'*. 12.55 *So You Think You're Allergic*. 1.15 *Weather*. 1.15 *Wimbledon Grandstand: Boxing (1.25) Highlights from this week's world championship bill at the Empire Pool, Wembley: Powerboats (1.40) Embassy Grand Prix (a film report): Wimbledon (1.50-2.50, 3.10-3.55): The Irish Sweep Derby from the Curragh (2.50): 4.35 Final Score.* 5.45 *News*. 5.55 *Sport/Regional News*. 6.00 *For My Next Trick*. 6.30 *"The Quiet Man"*, starring John Wayne and Maureen O'Hara. 8.35 *Seaside Special* visits Scarborough, starring Val Donkian. 9.25 *Canon*. 10.15 *News*. 10.25 *The Spinners*. 10.55 *"The Godchild"* (film for television) starring Jack Palance. 12.05 a.m. *Storyteller: John Hurt reads "Men from the South"* by Roald Dahl. All Regions as BBC 1 except at the following times: Sun 7 p.m. 12.50 a.m. *News and Weather for Wales*. Scotland—12.20 a.m. *News Summary and Weather for Scotland*. Northern Ireland—5.55-6.00 p.m. *Northern Ireland News*. 12.20 a.m. *News Readings and Weather for Northern Ireland*.

BBC 2

8.05 a.m. *Open University*. 12.00 p.m. *Saturday Cinema: "Rambertom Ridge Antics"*, starring Arthur Askey. 3.30 *Wimbledon Lawn Tennis*. 7.05 *Westminster*. 7.25 *News and Sport*. 7.45 *Leopard*. 8.25 *2nd House, 2nd Run*. 10.15 *Wimbledon highlights*. 11.05 *Labette in Concert*. 11.30 *News on 2*. 11.35 *Midnight Movie: "Bridge to the Sun"*, starring Carroll Baker. 9.00 a.m. *Old House—New Home*. 9.25 *Play Squash—Jonah*

Finance and the family Insurance

Compensation to a child

BY OUR LEGAL STAFF

My 14-year-old daughter was injured and the sum of £3,000 was paid as compensation into Court until she reaches the age of 18. Could you tell me whether the income from this sum is subject to tax and if so, at the standard rate, or at my rate for dividends above £115 per annum?

From what you say, it appears that the income from the investment of the £3,000 compensation should be treated as belonging to your daughter.

Since it will be covered by her personal allowance of £875 (or £735, if the Chancellor's policy is approved by the trade union conference on June 16), the income will be exempt from tax in her hands. Any tax suffered by deduction will be repayable in full.

However, the existence of your daughter's income will restrict your own child allowance of £335 to the extent that the income (including tax credit) exceeds £115.

Incidentally, although it apparently remains the Chancellor's intention to reintroduce the aggregation of children's income during the life of this Parliament, income from damages for personal injury was excluded from the 1968 aggregation scheme (which was repealed by the 1971 Finance Act) and so presumably it will similarly be excluded in the forthcoming legislation.

Addition to neighbour's wall

My neighbour intends making a covered side entrance to his bungalow by adding a further two courses of brickwork to existing 6 ft high wall then laying guttering on top of this additional brickwork and these plus the necessary glazing bars will raise the wall to near 7 ft. As certain of our windows face this wall, which is approximately 7 ft away from the windows concerned, could you advise me if there is a maximum permitted height for boundary walls in these conditions?

As it seems that the wall will not exceed 2 metres in height, or not materially so, there will be no breach of planning requirements. If the wall is wholly in your neighbour's ownership you have no recourse against him.

Immigrants to the U.K.

My parents, who are of Dutch nationality, are coming to live in England. Can they choose not to transfer assets to the U.K. and buy and sell shares without going through the premium pool? Must they advise the Revenue if they sold their assets abroad after arriving in the U.K., could they benefit from the premium? Would all assets have to be transferred at once?

Assuming that your parents will be adopting U.K. resident status for exchange control purposes, as non-U.K. nationals they would nevertheless be able to apply to the Bank of England for a measure of exemption from exchange controls. If this were granted, they would be able to retain assets abroad and any share purchases or sales would take place outside the premium market. The income should, however, be advised to the Inland Revenue.

Income from shares held abroad should be remitted to the U.K. and could not be kept abroad. Under current practice, your parents would not be able to benefit from the exemption on the proceeds of existing share holdings if they brought them to this country. Sales of assets could, we believe, be done in stages subject to official approval.

VAT for foreign residents

I shall shortly be visiting the U.K. on holiday. As a South African resident, am I liable to pay VAT on purchases made while there?

Briefly, provided that you check that the shops which you visit are prepared to operate the VAT retail export scheme for you, you should be able to recover the VAT element in the prices paid for your purchases (although the refund will not be made until after you have left this country).

As you may have seen in the reply published in the Finance and Family column on January 10 under the heading "Retail export schemes," a free booklet (VAT notice 704) is obtainable from H.M. Customs and Excise, 39 Mark Lane, London, EC3R 7HE. This sets out variations in the scheme, according to circumstances, and the procedures to be followed by both the shopkeeper and the purchaser.

Refusal to pay part costs

Two cottages were served by a joint cesspit and when they were renovated by the same builder the local authority ruled that each should be served by a separate cesspit. A second one was built to supply A's cottage, while the existing one was connected to B's cottage, both cesspits being on A's land. Now B has declared his refusal to pay half the cost, the bill having been paid by A, on the grounds that he gets no benefit from the new cesspit. How can B be made to pay?

The circumstances which you outline may disclose a contract between A and B that each would contribute one half of the cost of the work involved in constructing the new cesspit. If so, a claim for reimbursement may be made by A against B if A has paid the contractor. A full examination of all documents connected with the whole series of transactions would be

needed to ascertain if such a contract exists, and you should consult a solicitor in this context. If there is no contract, it may still be possible to obtain a result by seeking an injunction restraining B's use of the old cesspit on A's land until he has contributed his share of the cost of the new cesspit, on the principle adopted by the Court of Appeal in *E. R. Ives Limited v. High* (1967) 2 QB 379.

Keeping an antique gun

Some years ago I was given a 100-year-old Colt revolver for which I duly obtained a firearm certificate. Each time I try to renew the certificate, the local police investigate my need for holding the gun, and refuse permission for me to keep it at home. Is there any way by which I can keep the gun at home and dispense with a firearm certificate?

We do not think it possible to opt out of the firearm certificate now as of right. However it may be that a personal discussion with a senior police officer might lead to a resolution of the difficulty by taking appropriate undertakings in lieu of the certificate.

Pension fund transfer

My previous employers have refused to transfer their contributions to their pension fund, but only mine, on my transferring to another employment. Is there anything I can do?

You should obtain a copy of the trust deed and rules relating to the pension fund of your previous employment. From these it can be ascertained whether the amount to be transferred to your new fund is only your own contributions, or the total of employers' and employees' contributions, or a sum ascertained by actuarial valuation.

Development land tax

We regret that our reply of last Saturday under the heading Development Land Tax was erroneous, in that while the enlargement of a building by more than 10 per cent. does rank as "material development," there is a specific exemption in clause 14 of the Bill for sales (or development, which includes extensions) by owner occupiers of their house itself or its grounds up to an area of 1 acre. Thus an extension to one's home will not result in liability to Development land tax.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

THE CONTINUING hot dry weather this summer can turn out to be a mixed blessing for many people. In addition to sunburn and insect bites, some householders are facing another problem—subsidence. The very unusual weather pattern of a dry summer last year, followed by a comparatively dry winter and now another dry summer is resulting in certain soils drying out and shrinking, clay and peat being two soils that are particularly affected.

When a shrinkage occurs beneath the foundations of a house, the result may well be that the walls of the house go out of alignment and cracks appear. Of course the foundations should have been taken to sufficient depth to allow for this, but this is not necessarily the case. Anyway the cracks which will appear are not those hair-line ones on inside walls as a result of natural settlement, which need not give rise to concern, but jagged cracks in affected outside walls which usually run diagonally along mortar lines, but can run horizontally. The problem is compounded if there are trees near

the house. These soak up considerable quantities of moisture—a poplar, for example, can absorb about 12,000 gallons over the year.

Fortunately for householders, many building insurance contracts provide automatic cover in some form against the risk of subsidence. This cover is certainly needed, insurance companies are reporting claims this year at double last year's level. This provision is a comparatively recent addition to the many of the covers provided under house policies usually without any addition to the premium.

The exact risks covered varies according to the insurance company. But there is certain to be an excess clause, under which the policyholder pays a portion of the claim, varying between 3 and 5 per cent. of the sum insured. Cer-

The cost of cracks

BY ERIC SHORT

tain exclusions may apply to the cover such as coastal erosion. The insurance companies are looking closely at the subsidence cover at present provided and policyholders should check very carefully their own position.

If the householder suspects that subsidence damage has started, he should notify his insurers at once in accordance with his obligations under his policy. He should also inform the builder and the National House Builders Council if the house is still subject to one of the NHBC's guarantees.

Insurers will almost certainly send a loss adjuster who is well versed in subsidence claims to inspect the buildings. The remedial action taken will depend very much on the circumstances of the particular house and the site on which it stands. It is very much the work of the specialist limits

in deciding what to do. It may be recommended that the cracks be monitored before any corrective action is taken. Often it is found necessary to underpin the foundations, and this may involve digging to a considerable depth to find a stable base. In some cases, a local building firm will be able to do the actual work under expert supervision. In others, it needs a firm which specialises in subsidence work.

In the more extreme cases of damage, the house itself may be "jacked up" so that the foundations can be adequately reinforced. But if the householder is not sure of his own work, he should call in a specialist. The remedial action taken will depend very much on the circumstances of the particular house and the site on which it stands. It is very much the work of the specialist limits

Repair costs are usually substantial and in some instances well exceed the sum insured under the policy. If the policyholders have not kept the sum up-to-date, this leaves the householder with a large uninsured loss in addition to the excess he has to pay.

As with most problems, prevention is much better than cure and householders can learn from the experience of others affected by subsidence this year. They should get a full structural survey for any proposed purchase and ask the surveyor to specifically comment on the possibility of subsidence (landslip). The solicitor acting for the purchaser should be instructed to make enquiries for the local authority on wall levels, any made-up rubbings and so on. As Sir Derek Walker-Smith said in his recent chairman's report to the NHB, "building is now taking place on gravel pits, old road and workings, on steep hillsides, a peat bogs, on railway embankments—anywhere that the planners give permission."

Buyers have been warned.

Films

IN ALL THE red-faced fuss about the American on-off Congressional trip to Britain in order to pick up the U.K.'s bicentennial gift to the U.S., point seems to have been overlooked. The fact is that, as Governmental gifts go, this one shows a bit of flair.

Congress at one stage voted against sending a group of its members to Britain to accept the gift officially, partly because no one had actually read the small print in the minutes: that showed what the jaunt was all about. The vote was quickly reversed, however, and the birthday present handed over.

For a year Americans will be able to see one of the few copies of *Magna Carta*, set in a remarkable jewel encrusted stone showcase. The word "showcase" is

perhaps inadequate for something that weighs eight hundredweight and is itself set in stone ("from rock which existed when America and Britain were physically one") weighing four tons. After a year the parchment returns to the U.K., but it will be replaced by a gold replica.

As far as the U.K. has been concerned the whole thing has been somewhat soft-pedalled, after all, questions might be asked about a gift which has diamonds for each of America's states and *Magna Carta's* 4,000 hand engraved in burnished gold. But some people thought that it was worth making a little fuss about, and perhaps even a film.

The fact that one has actually emerged is largely due to a delightfully energetic producer Shelley Vaughan Williams whose enthusiasm when first approached to make the picture was somewhat tempered when



Shelley Vaughan Williams

she was told she would have to raise the cash. Mrs. Vaughan Williams is not the type to be deterred by such minor irritations, however, although she was a little disturbed that many of the British companies were wary of investing in such a project. "They were terribly polite. Behind Mrs. Williams' stand off all, but in the end it was involved in the recent television After a while the persistent interview with Prince Charles,

Weather

BRITISH interest in the weather goes back a pretty long way, which is why the weathermen are able to dust off the files these days and spot the fact that the last time southern England had anything like its present summer was in 1798. By all accounts, and dozens of enthusiasts were even then measuring the daily rainfall. It was even drier then it has been recently. If it is any comfort, after all that came the change. The winter of 1740 brought torrents of rain and some flooding.

The recognised official London high until now was 92 degrees F in July 1961, but the magic 100 was reached at Greenwich, another official recording point, on August 9, 1911. In July 1969 Britain's highest ever shade temperature was reached: 100.5 degrees F at Tunbridge Wells.

The weather world is somewhat divided over what is causing it all, and whether this is the likely pattern for the foreseeable future. There are two clear camps, the climatologists

who take a historic view of things, and those with a more mathematical bent who are convinced about all that historical nonsense and do not think the records are "sophisticated enough anyway."

For some the answer lies in the jetstream—high speed, high altitude winds—which encourage or discourage warmth from the south. All the London Weather Centre will say is that "the summer does not mean anything" and point at the current European applications as the source. Not are they particularly interested in reports of "spectacular" temperatures from back gardens in Coventry or beaches in Essex. "Our temperatures are measured in specially constructed sheds 10 conditions away from walls and buildings and four feet from the ground."

Last night the forecasters were predicting 33°C for the South-to-day, which is 91°F. On present form they are a little under the actual, as the rush hour got underway, evening the capital was sweating homeward in a mere 88°F.

JOHN BECKLE

Taxation

THE FINANCE BILL is now going through its Committee Stage, but the proceedings are turning into the same sort of shambles we observed last year with Capital Transfer Tax. The Government were forced to retreat some way, but not far enough, on the "snooper's charter" and certainly had their noses well rubbed in the nonsense of what they were doing. During the last few sessions, the discussions have been on benefits in kind. Here again a number of amendments have been promised but mostly not, so far, properly defined.

There is one specific concession on Clause 54(4). In the Bill as drafted it was proposed that where an employee enjoyed the benefit of his employer's services, tax would be levied on the price the employer would charge an outsider for that service. Taking an extreme example, airline employees are customarily allowed to travel at 10 per cent. of normal fare, presumably subject to the proviso that they do not exclude a fare-paying passenger by so doing. As the marginal cost to the airline is probably the cost of one plastic lunch, the airline actually makes a profit on the arrangement. On the Bill as drafted, the poor employee would have been taxed on the extra 90 per cent., even though members of the public may well have been able to travel for lower rates.

The Government has also promised to reconsider the tax treatment of company cars. It will look at the odd rule whereby somebody with the title of "company director" is treated as a fiscally suspect person, even though he does not control the company for which he works and even though his remuneration is less than £5,000. The Government is looking again at the wisdom of treating those who administer charities

(often at personal sacrifice) as if they were bloated, plutocratic company directors.

All these changes, however, represent what David Howell has referred to as "liquid legislation." The Government gives assurances when it has understood the point, but merely undertakes to put down its own amendments on Report Stage. They claim that there is just not time to undertake the necessary drafting during Committee

The Government is still tinkering with the Finance Bill

John Chown

examines the state of play

Stage, and possibly they are right. As with CTT last year, the Government tabled a Finance Bill containing a number of measures which are vindictive, counter-productive and not even competently drafted. I find it incredible that anyone could have drawn up Clause 58 without foreseeing that it could bankrupt a large section of the nation's executives. Did they foresee it or not?

The Committee Stage of a Finance Bill affords a splendid opportunity to draw attention to these nonsense and an opportunity which the Opposition have used to best advantage. They work under considerable difficulty. They do not have the support of a back-up team of Treasury and Revenue officials, but have to rely on the voluntary help of busy men.

The Government, having got it badly wrong first time, will (as last year) have to introduce on Report Stage what is in many respects a completely new Bill. However, although these provisions will be discussed once round, they will not enjoy the

and he accused Messrs. Healey, Barnett and Sheldon of having abused and overloaded the system to destruction. Indeed, it appears to me that the Chancellor takes very little interest in his Finance Bills—I, unfortunately, have to take an interest—and leaves it all to the terrible twins. When he gets the rough end of the tongue of public opinion, he leans on his minions and suggests that they do something about it. They simply lack facilities so to do. If the Civil Service cannot produce a dew draft in a matter of a week, how on earth are Opposition members to obtain professional comment on what has been drafted, together with suggestions for change, in what is often a matter of hours? Surely this Bill is going to need to be redrafted and recommitment and to go through the whole Parliamentary process again.

Sir Geoffrey also pointed out that the Development Land Tax was being considered on the floor of the House at the same time the Finance Bill was being considered. Apart from split-

ting up the forces deployed in defence of the citizen by ensuring that the limited number of financially literate MPs could not be in two places at once (perhaps the intention), there was close interaction between the Finance Bill and the Development Land Tax "so that each group of MPs was struggling—quite literally—with a moving target."

Referring to Clauses 57 and 58 Sir Geoffrey pointed out that the Government was having to reconsider these points because they would have reduced so many senior managers to bankruptcy. Under pressure, the Government has now said that it will now submit amendments on these Clauses during the Committee Stage and that the discussions on these Clauses will be left until the end of the Bill.

One change already foreshadowed is that the first £50 of computed interest will not be taxed. This will help those who are given, for instance, loans to purchase season tickets. However (typical of this Government) when the amount

exceeds £50 the whole will be taxed.

The effect of Clause 58 is, of course, disastrous and the Clause should be dropped altogether. Apart from anything else, those who it is said entered into such reasonable share incentive arrangements prior to 1974 found that under the 1974 Finance Act, any profits made thereafter were taxed not as capital gains, but as ordinary earned income. At least they would only pay taxes if they made a profit. Under the 1974 proposals the Government goes further and says that they will be taxed if they lose money on the share-incentive scheme.

Sir Geoffrey had four proposals we all desperately need a pause in fiscal changes. The timetable of consideration of tax changes should be extended to enable detailed outside representations to be made. Significant changes should be foreshadowed in Green Papers for consideration by outside experts or a Select Committee.

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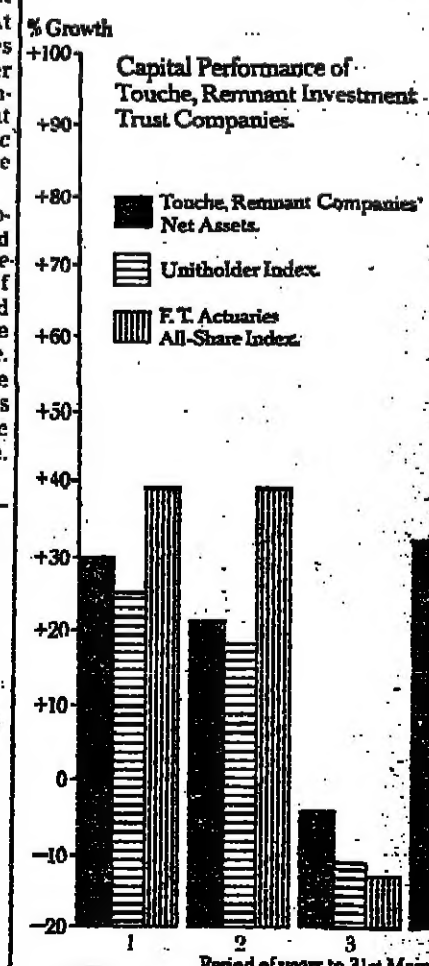
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CARS

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Motoring



DOES THE achievement of luxurious and sophisticated motoring still depend on the liver sitting behind lots of plunders?

Jaguar, with only V12 and eight-cylinder engines in their range, clearly think so. Rover, whose new car to be announced next week has a V8 and will also be offered with six-cylinder and V6 engines.

So do Peugeot, Renault and Volvo, whose top cars share the same V6. Mercedes and BMW offer four-cylinders only as their down-market customers.

But along have come Lancia with the new Gamma. It marks, they say, their return to the old of advanced, prestige cars, a remarkably successful limb back to solvency with a range of basically Fiat 132-angled Beta models.

The Gamma, which will also be offered with six-cylinder and V6 engines, is a four-cylinder car, as a four-cylinder engine.

Citroën (with the CX 2200 cc) and Lotus (the Elise) agree with the more advanced, better formula. The use of in-line fours. The Gamma, by common consent, could be an even better car with more cylinders. I can't speak from personal experience of the Lotus Elite. But, significantly, a V8 version of the Elite is said to be in the offing.

Why, then, have Lancia chosen a four-cylinder engine? Limitedly a flat "boxer" motor, advanced design—for a flag carrier that will have to slug it out with equally prestigious

valks with twice as many cylinders? They explain that it is smaller and lighter than her engines of similar capacity and can be mounted forward of the front wheels, thus improving roadholding. And they point out that they have no experience of flat-fours.

All of which is true. Nevertheless, the engine is the Gamma's most controversial feature. At high speeds there is nothing wrong with the 2.2 litre, 140 horsepower "boxer"

Gamma's glamour

BY STUART MARSHALL

motor" at all. Five up and with the bump full of luggage, the Gamma swooped along the autostrada at a steady, illegal 110 m.p.h. (I admit to this speed because I wasn't driving at the time) and there was power to spare on mountain roads.

Acceleration, aided by a five-speed gearbox with a fairly heavy shift, is quite vivid. 60 m.p.h. coming up from a standstill in a little over ten seconds, which makes the Gamma marginally quicker off the mark than the 3.4 Jaguar.

Third gear is good for 78 m.p.h. and fourth, 101 m.p.h. Top speed is around 120 m.p.h. and fuel consumption at a steady 75 m.p.h. is a claimed 28 m.p.g.

Despite my reservations about the engine for town driving, the Gamma is an otherwise excellent car. All-independent suspension and a low centre of gravity let it ride rough roads smoothly and corner fast and flat. The power steering is as good as any available today and better than most.

It is an elegant car, with a family likeness to the Beta 2000. The Gamma looks like a five-door saloon, though it has four doors and a conventional boot. Lancia explain, not altogether convincingly, that five doors are noisier than four and lead to problems of draughts and lack of rear seat comfort. Maybe so, though Rover's stylists and body engineers would not agree with that proposition. Having driven both cars—I shall be dealing with the new Rover 3500 next week—neither would I.

The Lancia Gamma will not be on sale in Britain for some months and the price is uncertain. In Italy, it sells at between 30 and 35 per cent more than the Beta 2000, which costs £4,067 here, so a U.K. tag of £5,000-plus seems inevitable, even allowing for the fact that some Beta 2000 extras are standard on the Gamma.

Though lacking the Gamma's exclusivity, the recently introduced Beta 2000 is an excellent buy, with performance close to that of the Gamma and having broadly similar ride and handling characteristics. Even more exclusive than the four-door Gamma saloon is the two-door Pininfarina coupé version, a real high fashion motor car to be introduced later in the year. Nice for counts or commissioners, I reckon.

The Gamma's interior is lush contemporary, with the padded roof lining that is a trademark of Pininfarina, the Italian master designer who co-operated with Lancia over its styling. (Pininfarina also helped Rolls-Royce with the much less aesthetically appealing Camargue).

The seats are upholstered in a velvet that grips your clothes and helps you stay in place on fast corners, though leather can be had at extra cost if you insist. There really is space for three people on the rear bench, and neat little curtains stop the sun from burning the back of your head as you slumber there in comfort. Both front seats are V8, let alone a V8, and whether buyers in the £5,000-plus class will be happy with it remains to be seen.

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Sport

Tennis

THE CRACKS began to widen yesterday in the men's seedings lists at Wimbledon. Three more of the singles elite joined Thursday's victim, Tom Okker, on the sidelines.

The hot air that hung over the courts drifted into the conference rooms as the Women's Tennis Association president Chris Evert issued to her joint management committee an ultimatum signed by 42 members that unless the women's prize money in 1977 is equal to the men's they will not compete.

This caused excitement that was soon forgotten as the matches on court boiled to fever pitch.

Hardly had Guillermo Vilas, the Argentine left-hander, survived a crisis in the second set before beating Alex Metreveli, of the Soviet Union, 2-6, 7-5, 6-2, 6-4, than the 22-year-old Puerto Rican, Charlie Pasarell, was back on Court 1 to play out the final drama of his unfinished match against Adriano Panatta, of Italy, which had been left unfinished at two sets all the previous night.

Young Minton served better and improved better. His 2-6, 6-2, 8-6, 9-8 win contained only two service breaks. When the first tie-break arrived we thought that Newcombe, master of playing big points well, would impose himself. And Minton it was who found the inspiration to flash the unexpected winner past a now floundering opponent.

By seven points to one he

secured the vital lead, and when the tie-break came again he won it by seven points to three for a famous victory. It stamped him as one of the coming men.

Britain's last hope in the men's singles vanished with the elimination of Richard Lewis, the blond, 21-year-old from Middlesex. Lewis was beaten 3-6, 6-1, 6-3, 6-3 by Yugoslav's Nikki Pilić in a fierce, two-hour battle of tall left-handers.

Temperatures frayed in the fierce heat and Pilić twice halted play, first to have some young girls removed after they had encroached on to the corners of the playing area and then to complain that he was being distracted by spectators using their headgear as fans.

Eventually the umpire had to appeal to the crowd: "Kindly keep quiet, you are putting the players off."

At the day's end Jimmy Connors and the Nastase, No. 2 seed, found themselves engaged in one of those joking doubles matches which have so upset opponents in the past. On Court 2 again they came on to face Syd Ball, of Australia, and Nikki Pilić, of Yugoslavia, dressed in rugby shirts and

exceptionally high percentage.

The fact that there has been no fewer than 16 different winners is another indication of the freedom away from the dominance of the tour by an elite.

Of the multiple winners, Johnny Miller won two tournaments in his first four starts. Ben Greenhaw won back to back, Hale Irwin won twice in three weeks and of course Huber Green rounded three consecutive victories in March. Since then, however, the last 13 weeks have produced 13 different winners on the American tour.

As a betting man I have been delighted to oblige as many of a growing group as I have been able to tie down who assert that Jack Nicklaus will never win another major title. But I have to confess that after last week I have a few misgivings. At Augusta in Ray Floyd's brilliant U.S. Masters victory, Nicklaus was only five strokes behind the eventual winner at halfway, a mouth-watering prospect. Thereafter, however, Nicklaus recorded two very ordinary rounds of 73 to finish 11 strokes behind the winner and even lost the second place to Crenshaw.

Those who believe Nicklaus is past his peak do so not because it is fashionable prematurely to write off living legends, but because they have detected disturbing signs in the great man's putting, indicating that he may be losing his nerve.

For instance, the new U.S. Open champion, Jerry Pate, who promised Keith Mackenzie, secretary of the R and A, to take up his exemption to compete in the British Open championship at Royal Birkdale next month before he went out to play his final round—only by winning could he become exempt from qualifying—is the sixth first-time winner in the U.S. in 25 tournaments and championships played so far this year, an

often looks an abyss, the Tour is a unifier.

"A permanent 14th of July," it has been called, and rightly. Everyone participates, and the riders (at least the French ones) become household names.

In the staging plans along the route where the Tour stops there is music and dancing. For the cyclists, success upon the road to sporting wealth and fame unrivalled in France, while the profits it generates carry many of the other annual "classics"—Paris-Roubaix, Paris-Nice, and so on.

The event is basically organized by two Paris newspapers, "L'Equipe" and "Le Parisien Libéré." The budget of around Frs.10m. (£1.2m.) is more than covered by sponsors—the latest of them Fiat, backing the Chiappano team spearheaded by the young Italian hope, Gianbattista Baronchelli.

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Poulidor—"as he is known to an adoring nation—has been shown by opinion polls to be the most popular man in France: "Poulipoulid" is the word in every newspaper headline. The

40-year-old Poulidor has never won the Tour but every year he is back for another try, arousing feelings comparable to those of a schoolgirl watching Ken Rosewall on the Centre Court.

For the cyclists, as well, the race is what Lords, is to a cricketer, the Grand National to a jockey. For all the physical hell they endure pedalling at a steady 26 m.p.h. under a scorching sun for 140 miles, desperately climbing a 5,000 foot mountain before hurrying down the other side at 50 m.p.h. on a trail 20 lb. racing bike, they come back year after year for more.

At the end of the day a handful of minutes may separate the first five men home, after anything up to 150 hours on the road. But that tiny gap is the same as the difference of two seconds in a horse race of a mile and a half—the difference between greatness and anonymity.

Understandably the French worry about sponsorship—that their cherished national institution will become a mobile advertisement board. So far, though, the danger has been averted, and the Tour remains what it was: an anarchistic pageant celebrating the coming of summer that unfurls before an enraptured populace.

It is perhaps not the France the foreigners know and distrust, but its message may yet be told through 1976, we are told, the organisers hope to have a Tour d'Europe. We islanders have been warned.

RUPERT CORNWELL

Two others whose chances must be respected are Albright and Ca Marche. The first put up a smooth performance when extending his unbeaten sequence this season to three with a 1½ lengths success over Petite Pretendre in the Hailu Handicap a week ago at Aven. Ca Marche failed by only half a length to cope with the much improved Royal Match in the Bessborough Handicap three days earlier.

However, in what seems sure to be another fine spectacle for this historic event first run in 1833, I hope to see the game Crash Course give Raymond (successful in 1975 with Gray God) another memorable victory.

Turning to the other races, I do not intend to look beyond that much improved middle distance performer, Step Ahead from the in form stable of Paul Cole in the Queen Elizabeth Handicap at Lingfield. At Newmarket it may pay racegoers to take a chance with the promising Rial in the Barton Stud Stakes.

DOMINIC WIGAN

NEWCASTLE
1.45—Tat-Tai Girl
2.15—Stable Occasion
2.45—Crash Course
3.20—Our Jimmy
3.50—Breeze Wagon
4.20—Desert Warrior
4.50—Bluffer

LINGFIELD
2.00—Teasie Formula Ten
2.30—Blue with Cold
3.00—Step Ahead
3.30—Konrad
4.00—Powderhall
4.30—Quartic Melody

NEWMARKET
1.30—Nana's Queen
2.00—Rial
2.30—Du Maurier
3.05—The Fixing
3.35—Bravado
4.05—Friendly Sound
4.35—Sir Percival

CHEPSTOW
1.15—Wephen
1.45—Artifice
Irish Derby: Empery Niebo (each way).

heavily backed to defy the handicapper.

Crash Course meets nothing this afternoon of anything near the same calibre as France's dual Gold Cup winner, and even



Alex Metreveli of the USSR

bowler hats. Empty, Eric Saville politely asked them to remove their hats. Bowing low they did—and the shirts—but their antics during an exciting match caused the umpire and line-men to report them to their chief, Bob Chatham, who will take up the matter with referee Fred Hoyle today. Their concentration was far from secure, they lost 9-8, 7-5, 2-6, 1-6, 11-9.

Sweden's Björn Borg injured his groin in a late doubles in partnership with Vila in a match they won 6-1, 6-2, 6-3 against Australian pair Dick Crealy and Kim Warwick. Asked for his singles match against America's Brian Gottfried to be postponed.

A decision will be made today, but Gottfried, I am sure, would not object because he was delayed on court for most of the afternoon in beating his fellow countryman R. C. Lutz 6-3, 6-1, 3-6, 4-6, 6-1.

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Yachting

TIME WAS running out late last night for a new record in the 35-foot trimaran FT, was continuing to make good progress and his position at 20.00 hrs GMT on Thursday was 15° 52'W. His only known rival in the Jester Class, Clare Rancis in Robertson's Golly, is further north and at noon the day gave her position as 15° 31'W. Although many of a boats have not reported during the race it is still thought that Palmer is leading the star class for smaller boats and with some 900 miles to go would finish later next week.

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Although Eric Tabarly was sighted 93 miles south of Cape Race last Saturday with only 350 miles to go and a 20-knot breeze to help him, he has not been sighted since. Despite a series of false alarms and fervent prayers by his manager, he has been unable to keep the big ketch Pen Duick VI going at full pace and with each day is more seriously threatened by Alain Colas in the 236-foot four-masted schooner Club Mediterranée.

He had to pull into St. John's in Newfoundland for repairs to both halyards and sails; at the same time his brother brought from France some of the sails he had formerly used on the race-winning tri Manureva.

Boats are now spread all across the Atlantic as some that were hit more severely by the heavy winds of the first ten days make up for their slow start. Already 34 of the 126 starters are known to have retired, though there could be others who have either not been able to report or have had to cope with considerable damage.

Spirit of America was brought back to Plymouth by a very disappointed Michael Kane after damage to his 62-foot tri had left him little alternative to turning and running before the wind instead of continuing to push his boat hard into the weather.

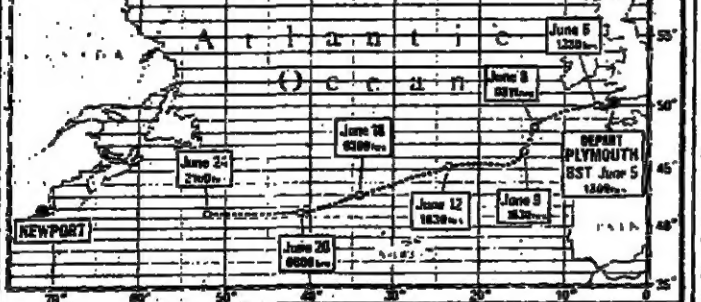
He said he had completed the 1,700 miles back in only 61 days and in one 24-hour run had logged just over 300 miles in the Azores the Italian, Doi Malingri in his schooner CS e RB II put into Flores after a right-time collision had damaged rigging to both masts and caused a persistent leak. And Andrew Bray in Gillygalou turned back after hitting a whale.

No position was given by the little C Class catamaran Spirit of Surprise with her Italian owner Ambraglio Fogar but he was sighted during the week and was cheerful enough to predict a July 25 finish. He will no doubt be glad to get out of the wet suit he had said he would wear all the way.

On a more sad note it was confirmed that the 70-foot cat Kriker III had sunk after her skipper Jean-Yves Terlain and Yvon Fauconnier, who also retired on the 126-foot FT Oceanic, had stripped the expensive radio equipment out of her. So went down a rather beautiful piece of British engineering which began life as British Oxygen, the winner of the 1974 Observer Round Britain Race, and was built as part of a scheme called British Challen-gers which was set up to ensure that the U.K. could come out on top in international competition.

STUART ALEXANDER

FT's Course



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STUART ALEXANDER

Cycling

PARIS, June 25. THE BIGGEST show of them all is on the road. The 22 daily performances this year will be watched in the flesh by 15m. spectators, while 60m. more will follow the twists and turns of the plot through the 20th-century miracle of Eurovision.

The company has 130 actors and a retinue of 1,000 more—organists, journalists, doctors, masseurs, and countless others dedicated to seeing that the next three-and-a-half weeks go off without a hitch.

The carnival will wind its way over 2,536 miles, from the drought-ravaged West of France, up and across into Flanders, then down through Alsace into the Alps. A brief interval in Provence, before the rigours of the Pyrennees, and then back through the heart of France for the climax: the triumphant entry from Versailles into Paris and the apotheosis on the Champs-Élysées. It is of course the Tour de France.

Since its inception in 1903, the Tour has been very much more than a cycling race, the most gruelling of its kind. Above all, perhaps, for a country that has drifted far from its revolutionary aspirations, the event provides an unbridled cord with an almost-lost past. For a nation where the gap between ruler and ruled, rich and poor and Left and Right

often looks an abyss, the Tour is a unifier.

"A permanent 14th of July," it has been called, and rightly. Everyone participates, and the riders (at least the French ones) become household names.

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Racing

JOE MERCER, fined £205 and disqualified from riding to-day because he rode at Ascot a week ago on the first day of a week's suspension incurred at Newbury, misses the mount of Crash Course in Newcastle's Joe Coral-sponsored Northumberland Plate. Bruce Raymond comes in for the ride.

This could well prove to be a costly day's racing lost to the Queen's jockey for Crash Course seems sure to make a determined bid for this event, which carries £15,000 in added prize money.

Nine days ago at Royal Ascot, Jeremy Hindley's top class stayer looked all set to land the Gold Cup until a typical late flourish by Lester Piggott on the odds-on Sagaro snatched the £20,000 first prize.

Crash Course meets nothing this afternoon of anything near the same calibre as France's dual Gold Cup winner, and even

Olympics

IN A SENSE, the Montreal Olympic 5,000 metres final is already being run. This week-end, Brendan Foster and Ian Stedman, Britain's top 3,000 metres hopes, are arduing their slim frames through an assault course of training designed to get them to Montreal in a state of peak physical and psychological readiness.

In contrast, one of their arch rivals, New Zealand's Rod Dixon, is psyching his opponents with a speed tour of European cities—he ran a 3:56.44 mile in London last Saturday—designed to show that his great natural strength is accompanied by gold medal-class acceleration.

A great many factors determine the outcome of a footrace: the date of the race and the challenge it presents, age, talent, health, nutrition, drugs, hormones, body build, running economy, weight, body fat, coaching, tactics, self-discipline, training methods, the condition of the track, the state of the weather, and so on.

But at all distances, from 100 yards to the marathon, the key restraint on performance is almost certainly psychological, which is why Britain's runners in Montreal would be as well served by a psychiatrist as by a masseur.

According to a survey of running records going back to 1864 and published in this month's Scientific American, all world running records are still far below human physiological limits.

According to the researchers, "The champions stop not at a given speed but when they set a record. Succeeding champions do the same. They telescope in their relatively short racing lives all the achievements of the great runners of the past and then stop with a cold medal, just as their predecessors did. Since it is the medal and not the speed that stops them, the

speeds they reach cannot be considered in any way the ultimate physiological limit."

What Foster and Stewart will clearly want to know, then, is what sort of endurance/speed barrier will they be asked to penetrate in the smothering heat in the Olympic Stadium in four weeks' time?

The answer is that they may find themselves pushed punishingly close to it—far through—the existing 5,000 metres record, Emiel Puttemans' 13 minutes 13 seconds, such will be the lust of the competition for that elusive gold.

But the American researchers invite us to look beyond Montreal and into the first quarter of the 20th century. They have done some talented figure work based on the improvement in mean speed for each track event since 1925. In the 100-metre dash, the mean speed is improving by about 0.6 metres per minute per year; in the marathon (26 miles 385 yards) it is improving at about 0.5 metres per minute per year.

Back in 1925 the world 5,000 metres record was a caterpillar 14:41.1. By next year, say the researchers, it may have lowered to around 13:06.8, by AD 2004 to 12:24.8 and in 52 years' time to 11:51.9.

Similar projections envisage that by the year 2028 the world mile record will have been lowered from the present 3:51.0 to 3:30.0, that the 100 metres dash will have been lowered to 9.24 seconds (8.9 at present) and that a super-human breed of marathon runners will be clocking 1 hour 53.13 minutes—a full quarter of an hour faster than at present.

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MOTOCARS

Further back, David Palmer, a Financial Times news editor, of the 35-foot trimaran FT, was continuing to make good progress and his position at 20.00 hrs GMT on Thursday was 15° 52'W. His only known rival in the Jester Class, Clare Rancis in Robertson's Golly, is further north and at noon the day gave her position as 15° 31'W. Although many of a boats have not reported during the race it is still thought that Palmer is leading the star class for smaller boats and with some 900 miles to go would finish later next week.

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مکملہ اصول



Four decorative cards are shown, each with a unique design. The top-left card features a floral pattern with three large flowers and a central circular motif. The top-right card has a large, stylized letter 'Z' and a floral border. The bottom-left card displays a large, stylized letter 'S' and a floral border. The bottom-right card features a large, stylized letter 'U' and a floral border.

Room Outside or Goodwood
Gardens. Waterbeach, near
Chichester, Sussex, who special-
ise in everything for gardens
and outdoor living, have a good
collection of what I suppose
could be called outdoor mats.
In white with purple dots or
blue and white striped cotton.
tossing the mattress is £19.95
£1.80 carriage, while all other
covers are £17.50 (carriage
£1.80).

You can ring Room Outside on

The delightful Forest Hills Hotel overlooks Loch Ard and Ben Lomond in the Trossachs. Set in magnificent grounds of 10 acres including Waterfall and Rainbow Trout Pool, fishing, rowing and sailing using hotel's boats. Picnic and putting course, pony trekking, golf, stables, adjoining hotel, lovely lounges, relaxed atmosphere, good food.

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For bookings or details
Forest Hills Hotel,
Aberfoyle, Perthshire.
Tel Kinlochard 277.

A NEW food bar specialising in smoked fish of all sorts and in particular in caviar has just opened in Knightsbridge Green at 22 Brompton Road, London, SW1. Viscount Newport, who is behind the venture, is sure that there is a much greater demand for caviar than is being sold in the right way. The Caviar Bar, which is on the sight of the old Paupers restaurant, will be open every day except Sunday from 11.30 am to 11.30 pm.

For those who are not out of London he will also be selling caviar by post. 1 lb of Sevraga Caviar costs £28 including postage and packaging while a pot of Beluga, the very best of

Just in case the hard-up are wondering, though, if *M* and *S* are deserting them the answer is no. The up-market collection will be limited to certain stores and they are still selling all their basic numbers, including this summer's runaway summer best-seller—a £3.99 Crimpeale dress.

A VERY neat device for those who are bothered by the advanced mathematics of Imperial units is the pencil-holder which has one end outside, in clear, white lettering, tables, which measure length, area, volume, weight and temperature in both metric and Imperial units.

There are two bands, forming a pencil-holder, which can rotate against three sliding vanishing Imperial measurements to be lined up against their metric counterparts or vice versa. It isn't the total answer to all one's metrication problems, but it does help out a few units up to 100 (100 feet, 100 acres, etc.) but it should help any of us to sort out our unit problems.

The pencil-holder is available in two sizes: one for £1.75 (including postage and packing) from Grantham House, 20, Allerton Street, London, W1X 3HA.

I can see it being a useful accessory not only for office but for many a schoolroom.

stirring and cooks exceptionally evenly.

Part of the grill attachment is one stainless-steel grate can be used either with one central rod, to make joints or with two rods, to broil the smaller joints or birds.

The hotplates have automatic temperature and recognition that if the flame goes out it is automatically re-lit.

The whole cooker is on wheels and if it is connected with a gas supply it can easily be moved to clean behind it.

For those who need precise details — the cooker measures 36" high to the top of the hot-plate, it is 32" wide and 24" deep. Its colouring is attractive and to suit the kitchen, in which it is sold currently in the most popular colours — it is brushed steel and chocolate brown which is exceedingly useful. The doors of the ovens are black glass striped with brass. It is natural gas, but if there is Natural Gas. It costs about £456 and orders are being taken now.

If you want to see one, or anybody should ever buy a cooker without closely examining several, peering inside the ovens to see how you like the glazing of the grill and the knobs, Spectrum is going into some 248 showrooms approved as dealers now. If you want a local stockist write to:

Spectrum Ltd, 100, The Quadrant, Whitehall Lane, Warrington WA1 1NL.

ANYBODY WHO has ever tried to buy bathroom equipment will know that a frustrating and complicated business it usually is. If you can afford to go to Jeffrey Bonsack, where the service and attention is impeccable, goes up you get a greater level of sophistication, but the basic package includes a choice of two of Ideal-Standard's designs of matching pedestal¹ wash-basin and lavatory, bath and all the taps and fittings. and £234. If the equipment being used to replace old equipment, then the installation cost (which is variable and depends on the installer) should be about £80. Obviously for a new bath room the cost would be much

The bath offered is the new Status bath, which is 5 feet long, 3 feet wide and 2 feet 6 inches deep. It is made of ceramic and has slip-resistant base and twin handrails.

The Topaz basin is in two packages, while the Tiara is in the other two. There seems to me to be little difference between

For precise details of what each package consists of and which builders' merchants your area handle them, write to: "Supapak Dept." Ideal Standard, Hull, Northumberland.

have its matching basin or
vatery. If you want one colour,
it has just run out that morning,
or maybe it's a nice line in
the yellow. Prices vary from
the merchant to another, and
you have what is stock is another
ideal.

Ideal-Standard has tried to
simplify this kind of operation
by setting up a business enter-
prise, to ensure that nobody
wants to buy a set of equip-
ment and liking the designs and
colours will be able to buy them
cheaper and then at a set price.
There are four different price
levels and obviously as the price

then except that Titara has the
tops mounted in the side, while
Topas has them in the middle.

The four colours are the packages
are Ideal-Standard's chromo-
magnified Jetline range, and the
cheaper packages include sim-
ple pillar taps; the others have
mixer taps and shower fittings.

The four colours offered are
Harvey to the top of copper, Ash,
Avalon, skylight and Turquoise.

This obviously isn't the most
exciting way to buy bathroom
fittings, but it is reliable and it
does offer certainty both of price
and of delivery. The prices of
the packages are 1172, 1177, 1229

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 NOTTINGHAM · OXFORD · PLYMOUTH · READING · RICHMOND
 SALISBURY · SHEFFIELD · SOLIHULL · SOUTHPORT
 STRATFORD-UPON-AVON · TAUNTON · TUNBRIDGE WELLS · WATFORD
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 Tel. 07/23 60 36

SOME OF the most enchanting mass-produced jewellery that I have come across is arriving in most large department stores now. Designed by Mary Quant, who is extending her influence and her range yet again, it is all in sterling silver—though pearls, carved coral and jade have been used as well with some pieces. They all have just the right look for summer—delicate and light.

The stylised daisy is a familiar sight on all Mary Quant's designs but for the jewellery she has taken as her theme a rather different daisy—a more rather prettier, less sophisticated flower, a real gentle daisy. She starts the daisy with a silver chain to make bracelets or necklaces, puts them on bands to form rings or puts them on studs to make earrings.

Some of the chalos are long with a single daisy, others are interlaced with several; some are chain-like, others have rigid bands. In fact, though a theme connects all the jewelry, the choice of designs is very wide.

Prices seem to me exceedingly reasonable bearing in mind that this is real jewellery, made of silver and pearls, coral and jade. Rings start at £1.10, a small single daisy on a narrow silver band going up to £7.50 for a daisy ring with a cultured pearl. Bracelets start at £8.50 for a single daisy on a rigid silver band going up to £18.50 for a daisy chain bracelet.

Pendant necklaces vary from £11.50 for a single daisy choker and so through all the permutations of daisies with coral, cultured pearls or jade up to as much as £32.00. Earrings are from £7.75 to £19.95.

The jewellery is in a large selection of good department stores, including in London, Harvey Nichols and Way in Oxford, and in the provinces, Bourne and Hollingsworth of London, Rackhams of Birmingham and Kendal Milne of Manchester.

جوليا، ميليس

"Interior space is generous, with plenty of head and leg room in the back for a tall person and enough width to seat three in comfort."

"The Renault 30TS stands out in its use, in a comparatively large car, of those features so often praised in smaller vehicles—front wheel drive, hatchback design and good use of interior space. It is also extremely comfortable, reasonably priced for what it offers, and its safety benefits from Renault's BRV experience. Above all, the 30TS seems to be the best of the three applications of the V6 co-operative engine."

"The 30TS appealed to me as an honest vehicle that provides superb touring comfort, wafting along in standards of silence that leave Rolls-Royce little option but to make sure their cars produce an interior noise level akin to a locked tomb."

THE TIMES

AUTOCAR

Motoring News

"The handling is superb; the roadholding outstanding, a combination which makes the car feel extraordinarily safe."

"The 30TS presents a thoroughly well thought out list of standard equipment including power assisted steering, quartz iodine headlights, reversing lights, heated rear window, laminated windscreen, electric front windows, and electro-magnetic door locks."

"Plenty of cylinders and cubic centimetres for good refinement and performance but not too many for reasonable fuel consumption."

car

FINANCIAL TIMES

Motor



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HOME NEWS

East Midlands may have new big coal mine

BY OUR OWN CORRESPONDENT

STRONG INDICATIONS were given yesterday that Britain's new big coal project—possibly the largest in the world—will be sited in the East Midlands, between Nottingham and Melford.

Mr. Alex Eadie, Parliamentary Under-Secretary of State for Energy and National Coal Board chairman Sir Derek Ezra, both stated at the possibility of another big deep mine project in the region.

Mr. Eadie said: "The Coal Board's plan for a new mine in the East Midlands will not be long before other names acquire the glamour."

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Weston out as Dixons subsidiary makes loss

By Keith Lewis

MR. RALPH WESTON, who joined the Board of Dixons Photographic four months ago when Weston Pharmaceuticals was absorbed by Dixons, has resigned following losses of £100,000 in a Weston subsidiary, Barclay Fine Chemicals.

Mr. Weston, finance director of Weston, has also resigned.

The trading activities of Barclay Fine Chemicals, a subsidiary of the Weston Group before its absorption by Dixons, are expected to be £2m. for the 14 months to May 1 last. Following the closure, a further sum of £100,000 is expected to be incurred to cover stock losses and redundancy payments.

Dixons Photographic has already forecast profits of £1.5m. for the current financial year. Losses in the newly acquired subsidiary will not change that picture, since Weston's results will not be consolidated.

Selective aid 'helped Scotland create 51,000 new jobs'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MINISTER for the Government's Selective Financial Assistance scheme had encouraged investment of £300m. and helped create 51,000 jobs in Scotland, Mr. Gregor Mackenzie, Minister of State, Scottish Office, claimed in Airdrie yesterday.

He said that applications for a further £100m. relating to further investment of £200m. and involving 3,000 new jobs, were under consideration.

Since the Industrial Act came into effect in August 1972, Government had made 552 offers of Selective Financial Assistance, amounting to about £200m.

Mr. Mackenzie said that these figures refer only to Selective Financial Assistance and the figures do not represent the whole story by any means, but they do demonstrate the Government's determination to do all in its power to regenerate Scottish industry.

Shipyards return to battle

By John Wyles, Shipping Correspondent

AFTER SIX MONTHS of relative silence, two of Britain's leading naval shipbuilders yesterday relinquished their public campaign for exclusion from the Government's nationalisation Bill, arguing that individual companies should be left to sink or swim on a commercial basis.

Mr. Eric Yarrow, chairman of Yarrow Shipbuilders, and Sir David Brown, chairman of Brown Shipbuilders, claimed that the Government's nationalisation Bill was against the public interest.

The Bill's compensation terms were totally unfair to the two companies, ignoring the real asset value and profit performance over the last two or three years.

With an eye on next Tuesday's House of Commons vote which will determine whether the Bill goes forward for a second reading, the two companies have produced a joint statement claiming that naval shipbuilding, with its good record for profits and exports, will inevitably be damaged by inclusion in a State organisation with far more troubled merchant shipbuilding companies.

If there is only one rotten apple in the barrel, it says the document, it is the merchant shipbuilding industry.

ICI to spend £10m. on diquat plant

BY RHYD DAVID

ICI is to spend £10m. on expanding capacity at Runcorn, Cheshire, to produce diquat, a herbicide used in agriculture, chemicals, and the textile industry.

The product is marketed by ICI's plant protection division under the trade name, Reglone.

It is used throughout the world for crop destruction and a herbicide in the manufacture of diquat.

The plant is expected to be completed by 1978.

The company is expecting further growth in demand for diquat for use with broad acre crops, particularly in North and South America, and Eastern Europe.

The product is also effective with oil crops such as sunflower, rape and soy, and also clover, lucerne grown for seed, potatoes and rice.

ICI claims that use of Reglone enables farmers to plan crop management independently of the weather and to select a time for harvesting to coincide with optimum yield. By making speedy harvesting possible and by eliminating most crop drying problems, the product contributes towards reduced fuel and labour costs.

GLC urges quick move on third London airport

BY LORNE SARLING

THE Greater London Council yesterday called for the early development of a third London airport and said that there was a limit to increasing capacity at Heathrow and Gatwick Airports.

Doubts were also expressed about the plans to extend Heathrow's capacity to between 30m. and 35m. passengers a year with out corresponding improvements to roads and the environment.

The views were expressed by the planning, policy and resources and transport committees of the GLC, in response to the recent Government consultation paper on London airports.

The report says that up to 1990, the main constraint on London airports was not runway capacity, but the capacity of the passenger terminals and other facilities.

"Because of the heavily peaked nature of demand, especially at Heathrow, the capacity currently available is largely determined by hourly throughput which can be handled at the existing terminals."

Stag Line gives Swan Hunter £6.8m. bulk carrier order

BY JOHN WYLES, SHIPPING CORRESPONDENT

SWAN HUNTER Shipbuilders' efforts to win more orders have been given a fillip by a £6.8m. contract for a bulk carrier which has been placed by Stag Line, a North Shields shipping company.

The value of the contract for a 26,200 deadweight ton ship underlines the low level to which world shipbuilding prices have sunk. The Tyne-side shipbuilder had to beat off Japanese competition to win the contract, able to offer the low price largely because it can use materials ordered three years ago at prices which have since risen.

The materials had been earmarked for ships in the batch of 13 ordered in 1973 and then cancelled, over the last few months, by Swan Maritime, the company in which Maritime Fruit has a 50 per cent interest and Swan Hunter 25 per cent.

The Stag Line order, due for delivery in early 1978, is the sixth bulk carrier contract to be placed with Swan Hunter this year. Together the six are likely to guarantee employment in the company's eight yards until about the middle of next year.

The company itself is making no firm predictions. It has not yet spelled out the employment implications of major Royal Navy contracts placed over the last few months for a destroyer and an amphibious tank.

Stag Line's decision to build in Britain strengthens the trend among British shipbuilders to place a larger proportion of their new building contracts this year at home. But the British shipbuilding industry's overall requirements will not be enough to sustain the merchant shipbuilding industry at its present size beyond early next year, and not all British owners' orders can be expected to be placed at home.

Cut-price conveyancer's appeal move succeeds

FINANCIAL TIMES REPORTER

MR. John James Watson, chairman of The House Organisation, the cut-price conveyancing agency based at Eltham, London, succeeded in the High Court yesterday in preliminary moves to challenge magistrates' decisions in two cases concerning house conveyancing.

In the first application, Mr. Watson, who appeared in person, was given leave by the Queen's Bench Divisional Court to apply for an order requiring Mrs. Audrey Frisley, a stipendiary magistrate at London's Wells Street Court, to state, in writing, her reasons for convicting him on December 12 of acting contrary to the Solicitors Act.

Obtaining a "case stated" is the first stage in appealing on a point of law against a decision of magistrates.

The court then went on to grant Mr. Watson an extension of time in which to file his appeal by way of "case stated" against a decision of Bradford-on-Avon magistrates on January 16, dismissing his summons alleging that a solicitor's clerk had acted contrary to the Solicitors Act when he engaged in conveyancing work.

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OVERSEAS NEWS

New Beirut truce efforts as guerilla camp attacked

BEIRUT, June 25.

AS HEAVY fighting between Christian right-wing forces and Lebanese guerillas, supported by a Lebanese left-wing and Muslim alliance, entered its fourth day today, political contacts were under way to try to arrange a truce and set the stage for the proposed round-table conference to solve the 15-month Lebanese crisis.

Libyan mediator, Premier Major Abdel Salam Jalloud, held meetings with commanders, left-wing and Muslim leaders, and was in touch with the President-elect Mr. Elias Sarkis, who himself had unsuccessfully tried to bring about a ceasefire.

Major Jalloud had come here three days ago to supervise the application of an agreement between Syria and the Palestinians on phased withdrawal by Syrian forces, who are to be replaced by joint Arab League peace-keeping contingents.

The Syrians have completed their withdrawal from the southern approaches to the capital, thus reopening the main Beirut-Sidon highway to civilian traffic and food and fuel supplies.

The Syrians were also to pull back from the northern port of Tripoli, close to the border with Syria, in the Lebanese district of Akkar. The main Syrian force will remain in the Bekaa Valley in the east of the country.

The worst clashes have continued to centre around the two Palestinian refugee camps of Tay and Zaatari and other parts of the south eastern suburbs of Beirut where the Christian right-wing forces were reported to have mounted yet another offensive overnight in a fresh attempt to seize the two Palestinian strongholds.

In certain points, the combatants got so close to each other that hand-to-hand fighting developed. The Christians said they were in a commanding position threatening the two camps.

To relieve the pressure, Palestinian reinforcements and their left-wing Muslim allies mounted an offensive against the Christian quarter of Ain al Rummanah in the southern part of the city.

Riyadh 'a face-saver'

CAIRO, June 25.

EGYPT and Syria were today considered the mechanics of a political-military committee agreed at yesterday's meeting in Riyadh between Prime Minister Mahmoud Saleh and Mahmoud el Ayubi, although fundamental differences between the two states remain to be solved.

The Foreign Ministers' committee intended to further Palestinian interests, as defined in the October 1974 Rabat summit, which established the Palestine Liberation Organisation (PLO) as the sole representative of the Palestinians, and to prepare for a summit between Presidents Sadat and Assad. The Riyadh rapprochement took the first steps by agreeing that the Cairo-Damascus propaganda war should end and that their ambassadors who were replaced at the end of last year, should again take over their respective offices.

The Riyadh announcement was seen in Cairo as another face-saving device, and one which would have to be dealt with at President level, is the second Sinai agreement between Egypt and Israel.

An analyst pointed out that the latest agreement brings Egypt back to square one. Egypt will not go back on the Sinai agreement, while Syria will not withdraw from Lebanon—and senior Arab League sources tacitly accept this—and cannot easily move from its anti-Sinai position.

A key card is in the hands of the Palestinians. The danger for them is that because President Sadat fears a more militant successor, he has topped Assad's regime, he will side with President Assad against PLO leader Yasser Arafat in the Lebanon.

More overseas news

Page 17

More upward pressure on yen

BY CHARLES SMITH

TOKYO, June 25.

THE YEN was strong again today on the Tokyo foreign exchange market, although the main upward pressure on it appeared still to be coming from overseas markets, such as London and New York.

The Tokyo market rate at the end of the day was Yen 237.80 for \$1, down from Yen 238.40 on Thursday.

Foreign buyers of the yen were cited as the main reason for the rise and there were indications that the Bank of Japan was intervening on a modest scale.

Dealers, however, said they were "nervous" about the situation in the London market. It is being suggested in Tokyo that major holders of dollars, such as oil refineries and trading companies, might step into the Tokyo market next week as sellers of the American currency. In that case domestic pressures on the yen could increase fairly sharply.

During the past week or so trading companies and refineries have been following "normal" trading procedures, which involves buying dollar futures to finance imports. Refinery companies could switch their tactics next week if they decided that the yen is now on a strong upward trend.

The upward pressures on the yen appear to have been set off by rumours that the U.S. was planning to urge Japan to revalue its currency because of the recent strong trend of Japanese exports. The U.S. has denied any such intention, but a slightly modified rumour is now circulating in Tokyo to the effect that U.S. officials may have hinted at possible American concern about the exchange rate in the event of a further sharp increase in Japanese exports over the next four or five months.

These hints are said to have been conveyed during official meetings preceding the Puerto Rico summit.

Chicago options dealing violations alleged

NEW YORK, June 25.

THE BUSINESS conduct committee of the Chicago Board Options Exchange has voted a statement of charges against six market makers, alleging violations in its rules relating to the manipulation of share option prices.

A spokesman for the Chicago Board, the biggest U.S. stock options market, said that the committee had found that the market makers had used a variety of techniques to manipulate the market, which the London Stock Exchange is using in part as a model for its proposed options trading, confirmed to-day that the action followed the Board's own regulatory investigations.

He also confirmed that the Government agency responsible for supervising the investment markets, the Securities and Exchange Commission (SEC), has been informed of the alleged violations of the Chicago Board's rules and of the 1934 Securities and Exchange Act.

The Chicago Board's inquiries into price manipulation took place in March and April following reports of price fixing on the American Stock Exchange options market.

Under the American Stock Exchange regulatory authorities and the SEC have been carrying out independent inquiries into the Amex violations, and there is a strong possibility that the SEC will now mount its own investigations into the Chicago allegations.

The particular violations which have been alleged in Chicago are similar to those alleged on the Amex, although the techniques are apparently different. Basically they involve what are called "wash sales", involving at least two parties making a trade and then quickly reversing or undoing it at the same price.

The allegations suggest that this has been done at the end of the day in order to establish a price for a stock.

Canadian balance

CANADA had a seasonally adjusted merchandise trade surplus of \$242m. in May, marking a turnaround from a \$84m. deficit in April, Statistics Canada said.

Seasonally adjusted Canadian exports were \$2,122m. on a balance of payments basis in May, up 1 per cent from April, while the value of imports fell 6.3 per cent, to \$1,880m. The lowest level in the year to date and slightly above 1975 monthly rates, AP-DJ reports.

CFP sees another bad year

PARIS, June 25.

CIE FRANCAISE des Petroles and quickly reach an annual production rate of 15,000m. cubic metres. First gas deliveries from the Algerian fields in 1976 are expected at the end of 1977.

M. de Lilliac said production margins in the Middle East have been reduced to an average of about 20 cents a barrel, in sharp contrast with the U.S. and some European countries where oil costs including taxation have not kept pace with sales prices and where margins can be ten or 20 times greater than the Middle East.

Du Pont hopes

GENEVA, June 25.

DU PONT expects higher European sales in 1976, particularly in the second half, and an earnings improvement from selective price increases and greater capacity utilisation, Ernest P. Ruppe, chairman of Du Pont de Nemours International, said.

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Coming up to the crunch

THE EXCHANGE rate, which has been extremely steady since the announcement of a \$5.3bn credit a fortnight ago, has been under occasional pressure again during the past few days for two different but inter-connected reasons. The first was a remarkably outspoken statement by an Assistant Secretary of the U.S. Treasury at a Press conference following the latest meeting of the OECD Ministers. It was no use simply saying that the foreign exchange market had miscalculated and ignoring underlying economic problems, he remarked. If Britain had to draw on the new line of credit and go to the International Monetary Fund to repay it in six months' time, he added, the Government would have to accept rigid conditions. He did not state explicitly what he thought the Government should do but left a strong impression—as officials in Washington have been doing for some time past—that the public sector deficit ought to be reduced.

In the following day, in fact, his fellow Assistant Secretary claimed that he had been misinterpreted and that no warning to any particular country had been intended. Mr. Hesley pointedly overlooked this retraction and claimed that every country contributing to the credit except the U.S. believed that sterling was under-valued. He did, however, hint that if economic recovery proceeded faster than earlier expected there might be cuts in next year's public spending programme.

Social contract

This little tiff might itself have caused some precautionary selling of sterling, but it had a side-effect which foreign observers may well have found more disturbing. On Monday the TUC-Labour Party liaison committee had agreed on the document which is to form the basis of the "social contract" for the next three years: on Wednesday the General Council of the TUC and the National Executive of the Labour Party were due to meet and endorse it separately. The TUC did so; the National Executive, however, rejected the document in its existing form, objecting in particular to the statement, on which the Prime Minister and Chancellor had insisted, that there would be no room for further growth of public

expenditure in real terms. It may well have looked from outside as if the "social contract" and with it a continuation of voluntary wage restraint, were in danger.

In fact, the National Executive was able to vote in this way only because Ministers were occupied with the visit of President Giscard d'Estaing and were unable to attend the meeting. Although left-wing members of the National Executive were no doubt influenced by the idea that the U.S. Administration was seeking to dictate Britain's economic policy, they seem to have been equally concerned with demonstrating their own ability to affect it. In fact, their real influence is not great; Mr. Callaghan has no intention of giving way to them; their action will have annoyed both Ministers and trade union leaders; and soon, in one way or another, it will be reversed.

Public spending

The level of public spending is, of course, an ideological as well as a practical issue. From the practical point of view, however, it is clear that the public sector deficit will have to be reduced as other forms of demand recover if the progress so far made against inflation is not all to be thrown away. The choice lies between raising taxation and cutting expenditure, and it is clear that many workers would prefer to spend a larger proportion of their income for themselves rather than have it spent for them by officials.

It is becoming more and more likely, therefore, that there will have to be further cuts in public expenditure in the coming financial year. Mr. Callaghan and Mr. Hesley have both indicated at this: their hints have been reinforced by the tough line which Mr. Callaghan is taking with those who object to postponement of the child allowance scheme and by his warning that further help for unemployed school-leavers will have to be financed by corresponding cuts in other forms of expenditure. It is possible that, to avoid having to accept conditions from the IMF, the White Paper on public expenditure will be brought forward this year. It is even possible that the existing cash limits on this year's expenditure will be enforced, despite the increase in prices that will be caused by the fall in the exchange rate.

From Lisbon Paul Ellman reports good prospects for the Socialists' presidential choice

Portugal between military rule and democracy

WHATEVER the outcome of his struggle for survival, the heart attack which struck down Portugal's Prime Minister, Admiral Jose Pinheiro de Azevedo, on Wednesday morning is likely to have a profound impact on the result of the presidential election, fixed for tomorrow.

Not that the Admiral was given more than an outside chance of winning the election. His best hope, as his own campaign floundered through lack of funds and lack of direction, was to take enough votes to deprive the leading contender, General Antonio Ramalho Eanes, the army chief of staff, of the absolute majority needed to pull off a first round victory.

With Pinheiro de Azevedo's political and military career at an end, Gen. Ramalho Eanes looks set fair to sweep the board tomorrow at the end of a two-week campaign, whose sickening tone and lack of substance auger ill for prospects of creating a stable, parliamentary democracy in Portugal.

For tomorrow's vote is more than just the first occasion in half a century on which Portuguese will be able to choose their head of state freely. It also supposedly sets the seal on what kind of political system the country will live in after two years of strident debate in which all sides have shown a disturbing willingness to impose their ideas forcibly if necessary.

The political compass

The names on the ballot paper, Admiral Pinheiro de Azevedo's still among them, represent four points on the political compass used by Portugal to plot its search for a regime to replace the right-wing dictatorship overthrown by the military in April 1974.

Although the presence of three military men among the four candidates testifies to the inchoate nature of this quest, one of them, Gen. Ramalho Eanes, has come willy-nilly to lead those political forces which espouse a West European system of government.

The general, an aloof and taciturn figure, first emerged from the shadows to crush the abortive left wing military rebellion last November 25. Reluctant at first to run for the presidency, he finally succumbed to a mixture of blandishments and pleas and put himself forward with the backing of the three biggest political parties, the Socialists, Popular Democrats, and Centre Democrats, who together captured three quarters of the vote in last April's parliamentary elections.

This wide support should have made General Ramalho Eanes virtually unstoppable from the start. But doubts raised by the candidate himself and more important, by many of

those close to him, have dogged his campaign, laying him open to charges from his opponents that he harbours long term authoritarian ambitions. Gen. Eanes has made no effort to disguise his belief in law and order to a country lacking in both for so long. Asked recently if he felt there was a "certain indiscipline" in Portugal, he retorted promptly that there was "great indiscipline."

The General has stamped the country to proclaim that democracy will never take root unless it is firmly implanted in the soil of authority. He has discarded the dark glasses which gave him such a forbidding image and tolerated his follower's sweaty embraces and the other ritual indignities of vote-catchers.

Despite the polished performance, however, he has tended to attract counter-demonstrators, who have received rough treatment from the tough guards who accompany him.

The lingering suspicions have caused distinct rumblings from the left wing of the Socialist Party whose leadership has identified itself totally with General Eanes. The Socialists need to ride the coat-tails of a strong president if their plan to form a minority Government is to succeed. Dr. Mario Soares, the Socialist leader, reasons that the nationwide majority the president has to win would offset the weakness of his Government's position in the national assembly.

Many disaffected Socialists would no doubt have ended up voting for Adm. Pinheiro de Azevedo, who was making a strong bid for their support before he collapsed. The

leading member of the party's Central Committee, and the Revolutionary Left, which has swung behind the flamboyant figure of Major Otelo Saraiva de Carvalho, the officer who co-ordinated the April 25 coup, but who finally fell into disgrace for his alleged part in last November's uprising when he was stripped of his position as head of the internal security command, Copcon.

Mr. Sarato's campaign has been aimed not so much at the presidency as at driving home the communist demand for membership in the next Government. Using the party's improved performance in the legislative elections as a lever, Mr. Sarato says that failure to form a government of the Left will lead to a new round of social agitation. More than anybody else on the Central Committee he should know how much organisational strength the Communists can employ, since he was the senior party official working inside Portugal at the time of the coup in 1974. Although the candidate himself projects a more personable image than the hawk-

particularly high and to his claim to represent a democracy based on legitimate authority.

His ability to act will also be circumscribed by his ability to take the military leadership along with him, particularly if it should come to using troops to quell disorders. Part of Gen. Ramalho Eanes' early reluctance to run for the Presidency was explicable by his fears that he had not yet fully succeeded in restoring the cohesion of the army after the political trauma it had gone through. This cohesion is of vital importance, simply because in the first four years under the new constitution the military are left with many fingers deeply embedded in the political pie. The Revolu-

Deal with the Socialists

After six provisional governments in two years, Portugal will soon find itself with a properly constituted Cabinet. General Ramalho Eanes has given the Socialists an assurance that he will use his wide powers as President to do his utmost to prevent a minority Government formed by their

A large minority on the Revolutionary Council still believes that the military has a central role to play in political life. One of their leading advocates, Major Melo Antunes, Foreign Minister, has given his own political career a new lease of life through having himself named chairman of the Constitutional Council.

Guarantors of new order

Those officers associated with Gen. Ramalho Eanes' campaign have no doubt intended to play a part in ensuring that the armed forces do not again become a theatre of classed ideologies, but remain guarantors of the new political order. But should the next Government, founded in the quicksand of parliamentary opposition and forced to rely on the emergency powers of the President to push through any of its measures, the danger will clearly be that the military men around the President will urge him to take full responsibility for his actions, and the national assembly will be forced to accept his proposals.

Gen. Ramalho Eanes' capacity to resist this kind of pressure, while at the same time impressing on the Government that it must establish a consensus behind its authority, will in the end determine the extent to which his presidency will rather than his own personal conviction to govern. Once they are passed, it will be political motives, the party's authority to see that they are carried out. The first moves are likely to involve a head-on confrontation with the Communists and their allies, whether in the unions or within the civil service. In this line of the past two years and confrontation, which both sides try to prove, the Socialist agree cannot be far away. Gen. country that the system which Eanes will have to live up to the second Portuguese republic, his reputation for decisiveness, represents can work.



Gen. Eanes

Adm. Pinheiro

Sen. Soares

The danger will be that the military will put the National Assembly in cold storage

Rumblings from the Left

The general, an aloof and taciturn figure, first emerged from the shadows to crush the abortive left wing military rebellion last November 25. Reluctant at first to run for the presidency, he finally succumbed to a mixture of blandishments and pleas and put himself forward with the backing of the three biggest political parties, the Socialists, Popular Democrats, and Centre Democrats, who together captured three quarters of the vote in last April's parliamentary elections.

Compromise laid low

Four candidates—four Portuguese, with one, the Portugal of attempted compromises between radicals and moderates, laid low. In a sense, the possibility of any meaningful compromise between widely differing aspirations disappeared long ago. The rapidly deteriorating economic situation and the sharp decline of what was

Letters to the Editor

Petrol

From Mr. A. Webber.
Sir—I would refer to your news item (June 21) which suggests that the Government is giving serious consideration to the abolition of the £40 a year Road Fund licence in a bid to reduce/eliminate the costs of administration. While unable to claim any qualifications as an accountant I seem to me that if one eliminates an overhead cost then the overall cost should reduce.

Your report, however, suggests that in both of the £40 licence there will be the addition of 20p tax on a gallon of petrol. As a 10,000 miles a year motorist (average 20 mpg) I calculate that instead of the £40 licence I shall have to pay £100 additional petrol tax.

Why should my costs increase by 150 per cent. if the civil service administration costs are to be reduced? There may be some logic in it somewhere but it escapes me for the moment.

A. C. Webber.
Groce Park.
Knutsford, Cheshire

Students

From Professor C. Hanson.
Sir—It would be unfortunate if your readers took too seriously some of the sweeping conclusions contained in the article by Michael Dixon (June 19). In particular, there is no evidence to support any suggestion that those academics actually involved in the operation of sandwich courses have turned against them. It is important to distinguish between a loss of faith in the system and any retraction in the scale of operation forced by the current difficulty of negotiating satisfactory training opportunities to meet the demand.

The report referred to by Mr. Dixon leaves no room for complacency on the part of academics responsible for the operation of sandwich courses. It should be realised, however, that the report is based on a study of a relatively small number of students undertaken several years ago. On the basis of the evidence, it is not surprising that I cannot catch, and should that the initial expectations of students for integration

of their academic work with industrial experience were not fully met. This could simply reflect their initial anticipation of entry being unrealistic. It should also be pointed out that on the measuring scale used and despite the observed decline, student opinion remained on the favourable side of the median with regard to what they found on their course.

In terms of educating graduates who are likely to be assimilated into industry, could I draw attention to the data published in an article in the Financial Times earlier this year (February 24), which was also written by Mr. Dixon, showing the proportion of first degree students entering industry upon graduation. It may not be without significance that eight of the first ten universities in the list are highly committed to the sandwich course system.

While it is right that the value of all types of education should be questioned, it is important that the conclusions should be viewed in context.

Carl Hanson.
Schools of Chemical Engineering,
University of Bradford
Bradford, West Yorkshire.

Roses

From Group Captain H. P. Broad.
Sir—Perhaps Robin Lane Fox was being deliberately provocative when he suggested (June 23) that Madame Lauriol de Barney was an sweetest smelling rose. Certainly I do not agree with him.

To my mind the palm should go to Marechal Niel, with Gloire de Dijon and Roseraie de l'Hay as close runners up. Marechal Niel is intensely sweet; so much so that I cannot take it for long and prefer the similar but milder scent of its ancestor, Gloire de Dijon, surely the most delicious and perpetual of all our roses. But Roseraie de l'Hay is also a strong contender, on fine evenings it will scent the air round it most deliciously.

But these are merely personal opinions. We all have an incomplete knowledge of the difference between roses of smell. There are some, which I cannot catch, and while a single bloom of Marechal Niel surely blows my head

off, there are people—mainly women—who cannot smell it at all.

Peter Broad.
24 Fitzpaul Street,
St. Albans, Herts.

Motorways

From Mr. J. Greensand.
Sir—Have the "railways into motorways" advocates ever really considered the feasibility of their scheme? A normal railway track, consisting of two lines, each measuring 4 feet 8 1/2 inches, plus 6 feet for the space between the lines, and allowing 6 feet at each side, would amount, in total, to a width of 27 feet 8 inches. This would probably be sufficient for two lanes of traffic, without any hard shoulder.

J. S. Greensand.
41, Kingsmead, Seaford, Sussex

Cabbies

From Mr. S. Pearce.
Sir—I in 1938 I could travel by 65 or 27 bus from Cumberland Gate, Kew Gardens, to Richmond station for a fare of one penny. Today the fare is ten new pence, just 24 times as much.

In 1939 a taxi cab ride over the same distance would have cost a shilling, or possibly one shilling and three pence. Today it costs 40 or 45 new pence. Just eight times as much.

The number of passengers carried by cab has probably quadrupled since pre-war days. The number of bus passengers has fallen by two thirds. The cab trade is self supporting. The bus trade is supported by other road users, in that it uses the transport infrastructure without contributing to vehicle tax or fuel tax. It needs continuous support from the rates to keep the buses running. The government pays for new buses.

Yet with all this openly admitted, Mr. Daly, leader of the transport committee of the Greater London Council, now wishes to take over the cab trade in order that he may bring it up to the standard of efficiency which he feels that Londoners deserve, and which presumably, is already operative in the bus service.

Not can I agree with M.

Would it not be more in the public interest to hand the bus services back to the cab trade, which originally started them? We at least have shown that, despite 300 years of rigid government control of the fares we charge, we can run a transport business and make it pay.

S. W. Pearce.
32 Woodville Road,
Ham, Richmond, Surrey.

Accounting

From Mr. G. Prescott.
Sir—Surely a good way of satisfying both sides of the argument over deferred tax accounting would be to disclose the potential tax liability by way of a note under the heading of "contingent liabilities." This method of dealing with the problem would disclose the facts within the published accounts without actually having a hard time on the balance-sheet itself.

G. A. Prescott.
Guthrie Cottage, Lock,
Partridge Green, Sussex.

Appellation

From Mr. E. Penning-Rossell.
Sir—Monsieur Frescon (June 21) and I are entirely in agreement as to the contribution that the Appellation Controlee system has made in improving the quality of French wines. Where we differ is that I believe that excessive claims have been made for it, and that its reputation has been "diluted" by the excessive number of wines often of no more than modest or indifferent quality, being given this status.

In this I have the backing, as quoted in my article of June 15, of no less distinguished an authority than M. Henri Pestel, for many years the head of the Institut National des Appellations d'Origine, and the man above all responsible for administering the AC regulations. And it is his figures that are quoted to show the growth of wines allowed the AC label: not only quantitatively but in proportion to the total average French wine crop.

Nor can I agree with M.

Frescon's statement on "the consistent high standard of AOC wines." How was it then that in generally disappointing to disastrous vintages of 1972 and 1974 the total of AC wines permitted was so high—in Bordeaux alone 2,850, hl. and 3,870, hl. respectively?

M. Frescon's job is to promote French wines, and he and his organisation do it very well, but exaggerated claims do even a good cause no good, and he should keep his advertising agents in leash.

Edmund Penning-Rossell.

Liberals

From Mr. F. Ree.
Sir—Not having seen any official regulations for the count, one can only suspect that your Lobby Correspondent (June 23) is referring to a complicated procedure which will not apply on this occasion. There is only one leader to be elected and only two candidates have been nominated.

My constituency association is allotted 40 votes. If, for example, 482 members chose to vote, and to cast their votes as to 351 for candidate X and 131 for candidate Y, then the allocation of our 40 votes must surely be—

$$\frac{351 \times 40}{482} = 29$$

$$\frac{131 \times 40}{482} = 11$$

Other associations will doubtless similarly divide their allotted votes according to the figures involved. It therefore seems that the central count will be a relatively simple matter; whether or not it requires the Professor of Government at Essex University, and the Poplar Civic Theatre, it will not need any "Droon formula."

F. Richard Ree.
34 Elm Park Court,
Pinner, Middx.

Congratulations

From Mr. A. Lamb.
Sir—Regarding the letters

of June 10, 15 and 22 pointing out that "it is polite to say thank you," may I suggest that everyone from chairman down to office-boy puts each other on the back and says "Thank you." In this way everyone should be pleased and no one should be offended.

Adrian T. Lamb.
44 Portland Road, Leicester.

Thank...

From Mr. D. Bollins.
Sir—With reference to the correspondence from Messrs. Stokes, McGrath and Lowe on thanks due to various departments, it rather underlines one of the principal problems besetting many companies, i.e. departments and executives tend to be spending too much time and effort in competing against themselves and not as a corporate entity against competitors in their field of business. Surely it is logical that companies will benefit more through mutual recognition and co-operation from all company staff. The Japanese realised this decades ago, need one say more?

David J. Bollins.
15 Avenue des Gaulois,
Box No. 15,
1040-Brussels, Belgium.

... you

From Mr. D. Blake.
Sir—I have read with interest the letters from Mr. John Stokes (June 19), Mr. Peter McGrath (June 19), and from Mr. David Lowe (June 21), all suggesting that they go around thanking each other for various services rendered during the production, sales, and distribution of products.

While I think that this would be admirable, may I, before your pages are inundated with requests for thanks from other departments, through the courtesy of your columns, suggest that they all thank the consumer, without whom they would not be manufacturing, selling, or distributing anything.

Duncan Blake.
Dilhampton, No. 4,
Esher, Surrey.

How collectors stamp on inflation

BY MICHAEL THOMPSON-NOEL

STAMP COLLECTING is almost surreptitiously a new paper currency beginning to emerge in the stamp market. For years the stamp market has been a rich source of dark deals and sudden profits: a niche for wealthy introverts whose sole ambition has been to lock up their worldly wealth in a definitive collection of penny blacks, Trinidad five-cent blues or £1 brown-black.

That has changed. Mr. Joseph has said that his collection is his finest investment, and events in philately in the past ten years confirm his point. Stamps are big business. At Stanley Gibbons, the famous London dealers, collectors in the rare stamp department have exhausted all opportunities in describing the latest few years and are now going on with figures. In 1973 the company launched a service for collectors with a minimum of £500 to invest. The plan is to help them build up a portfolio of specialised classic material ("classic" in the stamp trade means pre-1900), including single stamps, blocks of stamps, envelopes and proofs. In 1973, the 13 stamps illustrated in the investment brochure were valued at £2,140. The following year they had jumped to £106,950. This week, Gibbons said that the past 12 months the value of the 13 had moved up 27 per cent, an increase of £27,163.275, an increase of 27 per cent in a year, and a value of 100 per cent since the portfolio was launched.

"Prices of classic stamps are ruled by demand," says the company. "As supply cannot increase as demand based on the large collectors' market is increasing—in some countries at an astonishing rate—stamp prices will continue to rise. Normally, though not necessarily with the classics, a 10 years is needed to reap good rewards from philately. These vary enormously but have been known to fall below 10 per cent per annum."

At Robson Lowe in Pall Mall, a company which describes itself as the world's leading stamp auctioneer—sales in recent months have bubbled over. Auction turnover in June 9 since the sales season opened last September stood at £2.8m. Total turnover this season, the company says, should be between £3.7m and £4m, compared with £2.4m a year ago and £2.1m in 1973-74. Robson Lowe holds auctions in London and Eastbourne and in several foreign centres. In April it staged a sale in Geneva which realised £430,000. That included a collection of airmail and U.S. stamps formed by the late Robert Lehman, a New York financier. The stamps were put on view at Christie's in New York (Robson Lowe has a close working relationship with the art firm) and then flown to Switzerland for sale. A 1918 24-cent airmail stamp in mint condition with the centre inverted, showing a plane flying upside down, was sold to a Spanish buyer for £14,000. There are several reasons for the boom. First, the market has considerable collector support. More glamorous reaches



Rarities and freaks: this little collection could be worth about £99,000.

of the art market such as fluidity which makes it easy to buy and sell anywhere. Third, stamps are small, easily portable and easy to safeguard. Because they can be tucked into a courier's wallet, Interpol believes that rare stamps are increasingly used to effect illegal movements of currency, while on the Continent at least, stamps are a well-known tax dodge.

The clearest way to illustrate philately's remarkable growth rate is to look at the investment performance of Stanley Gibbons' "Classic 13." The most expensive item in the portfolio is a corner block of six German States (Saxony) 1850 3p's in 1868 was worth £28,000. A year ago its value was put at £62,500. This week, Stanley Gibbons said its current value was £75,000.

The cheapest stamp in the portfolio is a British 1d black (or good unused copy from Plate 5 or 6). In 1962 this stamp was fetching £28. A total of 65m 1d blacks were printed, the rarest are from Plate 11. By 1972, Gibbons was cataloguing this stamp at £90, a year ago at £175, and this week at £275.

Another of the 13 is Britain's rarest and most valuable stamp—the Edward VII 6d purple "IR Official" of 1904 in unused condition. It was valued at £3,500 in 1968, £12,000 in 1973 and is now catalogued at £16,000.

Both Gibbons and Robson Lowe, together with most private dealers, are enjoying a golden era. Gibbons is a publicly-quoted company that has

come through the U.K. recession virtually unscathed. Turnover in 1975—three-quarters of it from stamps—was £7.06m. In 1973 he bought a £4,000 collection of 1871 profits have moved from £188,000 to £963,000. The company is now expanding busily by now he was hooked. Late last year he sold his main collection for a £9,000 profit and reinvested the proceeds in Canadian Provincials. Since the start of this year he has sold off certain balances of earlier material for a 25 per cent profit and ploughed back the profits into his main portfolio.

Private sales

Gibbons' minimum commission rate on sales is 10 per cent. If it has to hold on to a stamp for any length of time it charges more. Capital gains tax is payable only on items worth more than £1,000, whether it be a single stamp or several on the same envelope. With capital transfer tax, a pre-death sale usually produces a better result for the estate than a realisation by executors.

Robson Lowe says that private treaty sales are often more satisfactory than auctions for the quick settlement and placing of a collection. Like Gibbons, the company has a large index of important buyers who are sent details of private treaty consignments. In May a collection of Great Britain stamps was sold for more than £40,000 less than a week after its arrival.

Not long ago a man walked into Robson Lowe's reception area with some old family correspondence stuffed into a wicker fishing basket. He sat down but immediately stood up again when told it was worth £10,000. In fact it fetched £20,000. In Basingstoke, a batch of 18 envelopes sent from France to Chile and discovered quite by chance in a roll-top desk in Santiago was bought for £4,130.

Stamp collectors go to remarkable lengths to get their way. Among the great stamp rarities of the world are the Mauritius 1d orange-red and the 3d blue "Post Office" issues of 1847 which to-day change hands at £40,000-plus in unused condition and at around £27,000-£30,000 in used. In 1891 a collector placed the following newspaper advertisement: "A stamp collector, the possessor of a collection of 12,544 stamps, wishes to marry a lady who is an ardent collector and the possessor of the blue twopenny stamp of Mauritius issued in 1847."

We do not know if he married and mailed the desirable creature, but conditions in the contemporary stamp market are producing unions of a different kind. The current world auction record for a stamp is the £116,666 paid in New York in 1970 for the famous 1-cent British Guiana (provisional) issue of 1856. It is unique. It was bought by a large philatelic investment syndicate headed by Mr. Irwin Weinberg. If it came on to the market today, say the experts, the bidding would open at a respectful £150,000. That seems a lot for what is a tiny, grubby, magenta-coloured slip of paper. But that's the stamp market.

LABOUR NEWS

Union rights refused to printing group

BY ROY ROGERS, LABOUR CORRESPONDENT

THE PRINTING Trades Alliance has become the first group to refuse a certificate of independence by the Certification Officer for Trade Unions and Employers' Associations.

By refusing a certificate, Mr. Edwards, the Certification Officer, will have the backing of a TUC printing industries committee which has objected to the application.

TUC-affiliated unions will be r from happy when they hear at he has granted certificates several non-TUC staff associations, including Lloyds Bank staff Association, the Group 1 staff association at Courtauld's, and the Telecommunications staff Association.

Employers

The Printing Trades Alliance, its members from small print companies in the London area, was refused a certificate as independent trade union on the grounds that it has honorary employer members to whom it has granted certificates.

As the name suggests, the TA was set up as an alliance between employers and workers in the companies concerned. The employers were however reduced to an honorary status to comply with the old Industrial Relations Act of 1971.

The granting of a certificate to Lloyds Bank Staff Association yesterday should open the door to similar treatment for all other clearing bank staff associations in spite of the claim of the National Union of Bank Employees that they are not financially independent of the banks.

The Association of Scientific, Technical and Managerial Staffs had raised similar objections to the Courtauld's Group 1 staff association, but there were no objections to the application by the unrecognised breakaway Telecommunications Staff Association.

Inter-union row may halt drinking in 600 pubs

BY IAN HARGREAVES, LABOUR STAFF

WEEK-END DRINKING in not cut off their action by next Wednesday. Ansell's managers would ban weekend opening.

The help the association had been giving to the TGWU in its dispute with the Courtauld's has also been withdrawn in protest at the blacking.

The official strike by 105 drivers, all members of the TGWU, at the Courtauld's bottling and packing department at Arvonmouth, has cut off supplies of keg and bottled beer to pubs in the South West.

The strike, now in its third week, centres on the men's claim for three days' holiday pay over the Bank Holiday period and a disagreement over the content of loads.

The company claims that because the men refused to carry out a delivery on one of the days, they are not entitled to the payment. The two sides are expected to discuss the possibility of independent arbitration.

Mr. Harry Shindler, general secretary of the association, said that if the transport workers did

Manchester Docks halted

WALK-OUT by 800 dockers yesterday brought work at Manchester Docks to a standstill. It was a 24-hour protest against the sacking of a workmate.

Fewer than six ships were in the terminal docks at the time of the stoppage.

The management blamed the strike on "unofficial elements"

Protest by bank staff

LEARNING BANKS staff in the national Union of Bank Employees are holding a mass rally next week in the Central Hall, Westminster, to protest at what they contend is a threat to their

Four big groups committed to 'CBI-type' employee pacts

BY JOHN ELLIOTT, MANAGEMENT EDITOR

PERSONNEL DIRECTORS of four large companies committed their organisations to a CBI-type pact yesterday after talks with their employees. This will lead them to negotiate participation agreements of the type advocated by the CBI's policy on industrial democracy.

These semi-public declarations—revealed after the private conference had ended—came from personnel directors of Ford Motor, Shell U.K. Tube Investments and British Airways. They provided a significant boost for the CBI which wants companies to implement participation agreements in advance of any Government legislation.

This preference for voluntary action was spelled out by the conference of 200 company representatives at the CBI's London headquarters by Lord Watkinson, CBI president, who also said that top-level participation should not be implemented too quickly because people were not ready for it.

All the researches done by the CBI show that although there is a large pent-up demand for more information and more participation, there is a minimal demand for seats on the Boards and for direct involvement and responsibility on the conduct of overall company policy.

The CBI has put this view in the Bullock Inquiry on industrial democracy, and has suggested that large companies might be required by the Stock Exchange to have two non-executive directors, who could be nominated by workers, on their Boards.

It hopes that if companies implement participation agreements quickly enough, it will be more difficult for the Government to enforce TUC-style trade union-based worker directors by law.

The personnel directors who gave the pledges on behalf of their companies were Mr. Bob Ramsey of Ford; Mr. Peter Linklater of Shell U.K.; Mr. Mike Howard of British Airways.

All were members of the CBI working party that drew up the participation agreement proposals, and they explained to the conference how they proposed to implement them. They made it clear that none of them is yet such an agreement could be offered to union negotiators, but initial moves are being made.

No orders for oil platforms this year, Mabon tells unions

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT sees no definite orders for platforms for North Sea oil rigs being placed this year. Dr. Dickson Mabon, Minister of State for Energy, told trades unions in Glasgow yesterday.

There was a reasonable possibility of three or four production platforms being ordered next year or in the early part of 1977, Dr. Mabon said.

He had been told by one company on Thursday that it had delineated reserves and declared a new field commercial. He refused to name the company but was believed to have been referring to Texaco and the Tartan Field.

Dr. Mabon said that if engineering studies and costings were completed the field would be placing an order for steel jacket in the first quarter of next year.

The logic of his statement is that large-scale redundancies are inevitable particularly at Lamps Graythorpe yard and the RDL (North Sea) yard at Methil, which has already given notice of redundancy for half the workforce.

The news was not unexpected for yard managements and the unions. Several yards will run out of work this year and all eight British platform building yards will be vacant by the latter part of 1978.

Dr. Mabon had urged yards to diversify into other work to fill the hiatus until oil companies started ordering again.

He quoted the example of the Alpine yard at Ardyne Point, which is negotiating for an order for floating concrete barges.

He was pressing oil companies to bring forward their orders by at least three months. He promised another statement in October.

"We have persistently pressed on the oil companies the advantages to them, of the continuity of ordering. It is in everybody's interest."

It helps the oil companies. It keeps labour forces together, and it is fair to companies who have invested money and management skills in the building of yards.

"The oil companies have all assured us that they recognise this point and are doing their best, bearing in mind all the difficulties which they have encountered. Our efforts so far have brought little positive response."

"Shell have said that they hope in order one platform a year for about five years from 1977. Unfortunately, they have not found it possible so far to bring forward an order this year."

Rees aims at representative Ulster Police Authority

BY OUR BELFAST CORRESPONDENT

NEW MOVES to step up recruitment to the Royal Ulster Constabulary and to make its controlling body, the Police Authority, more representative of the community are to be announced soon by Mr. Rees, the Ulster Secretary.

Mr. Rees is studying a report prepared by a ministerial working party on security, of which he is a member, which will announce new recommendations about the role of the RUC and the part-time Ulster Defence Regiment in the Commons next week.

The working party, set up in January, was composed of Ministers and experts drawn from the Home Office, the Defence Department and the Northern Ireland Office. It is likely to be replaced mainly known to have been concerned on how best to use the RUC as the primary force in the struggle against terrorism, with a corresponding reduction in the Army's commitment.

From what Mr. Rees has said about its examination of the problem, there will be no dramatic overnight changes, but

It is understood that a recommendation to step up recruitment to both the police and the Ulster Defence Regiment will be made.

The Government has already turned down Ulster Unionist demands for full-time companies of the UDR, but changes in the role played by the 1,000-plus full-time members already in the regiment are expected.

Separate from the working party's report, Mr. Rees will make known soon the membership of the restructured Police Authority.

He has already announced the appointment of its new chairman—the Lord Mayor of Belfast—and the remaining members who complete their second three-year term of office next week are Mr. Paisley, the Rev. Ian Paisley.

Mr. Paisley appeared finally to sever his Democratic Unionist Party from Official Unionist politics here yesterday, he scathingly attacked the main Ulster negotiator, the Rev. Martin Smyth, for allegedly deceiving the electorate by negotiating outside the mandate received by the Loyalist political parties last year.

Economic diary

CRUCIAL vote in the House of Commons on Tuesday on future of Aircraft and Shipbuilding Industries Bill.

SUNDAY—Two-day economic summit; meetings of seven nations open in Puerto Rico. The U.K. will be represented by the Prime Minister, Mr. Anthony Crosland, Foreign and Commonwealth Secretary, and Mr. Denis Healey, Chancellor of the Exchequer.

MONDAY—Emergency debate in the Commons on leak of confidential Cabinet papers. Quarterly analysis of bank advances (mid-May).

TUESDAY—Two-day meeting of EEC Foreign Ministers opens in Luxembourg. Housing starts, completions and grants (May).

WEDNESDAY—Prime Minister and Mr. Anthony Crosland in Bonn for talks with Chancellor Helmut Schmidt. Brick and cement production (May).

THURSDAY—Shipbuilding tripartite talks under the chairmanship of Mr. Eric Varley, Industry Secretary. Energy Trends publication.

FRIDAY—NEM pre-conference executive meets. Douglas, Isle of Man. Official releases (June). Capital issues and redemptions (during June).

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The table illustrates the point:

GROSS INCOME YIELD NEEDED BY			
50% Taxpayer	70% Taxpayer	90% Taxpayer	To equal capital growth of
8.7%	14.6%	43.7%	5%
17.5%	29.2%	87.5%	10%

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1. Fixed Interest. An actively managed portfolio of Government Stocks and other fixed interest investments which, together with cash awaiting investment, accounts for 33% of the Fund.
 2. Overseas growth stocks account for 27% of the Fund and current emphasis is on U.S. stocks with low yields and good prospects of capital growth. Back-to-back currency facilities substantially avoid the risks of the dollar premium.
 3. U.K. equities comprise the remaining 20% of the Fund by combining high quality, low yielding shares with the Capital Shares of Dual Capital Investment Trusts. This portfolio is well placed to benefit from any recovery of the U.K. economy and stock market.

The aim of the Fund is to achieve a net return of 10%–15% p.a. although this can not be guaranteed. This is achieved principally or wholly by way of capital gain through active management and balancing of the proportions between the three portfolios.

Treasim is thus defensive, to achieve a higher net return through capital appreciation than that available from fixed interest deposits.

To invest, return the coupon to us with your cheque. If you wish to discuss the Fund with your professional adviser first, tick the box for more information.

To: Schlesinger Trust Managers Ltd., Freemont RG22 1, 140 South Street, Dorking, Surrey. Weekend and Evening Answerphone Tel. Dorking (01304) 80441

I wish to know more about 'Nil Yield' PIMS ☐

I wish to invest ☐

I would like details of the 'income' withdrawal facility ☐

A cheque is enclosed in remittance, made payable to Midland Bank Limited. I understand that so long as I hold units originally purchased for £2,500 or more I shall be entitled to the Personal Investment Management Service.

I declare that I am not resident outside the Scheduled Territories and that I am not acquiring the units as a nominee of any person resident outside the Territories. If you are unable to make this declaration, it should be deleted and this application form should then be lodged through your U.K. bank, stockbroker or solicitor. (Minor cannot be registered, but accounts designated with their initials will be accepted.)

Surname (BLOCK LETTERS PLEASE) _____
First name(s) _____ (in full)
Address _____
City _____
Postcode _____
Signature _____
(In the case of a joint application all must sign.)

Schlesingers 'Nil Yield' PIMS

Rediffusion expands to £16.31m.

ON SALES up from \$1032.0m. to \$1231.058, additional term
\$122.01m. to pre-tax profit of costs on closure in previous
Rediffusion advanced from of programming services over ex-
\$436.3m. to \$416.3m. in the year in Hong Kong, up from \$173.2m.
to March 31, 1978, after \$103.2m., written off arising from liqui-
against \$6.5m. for the first half, of subsidiary and other co-
Trading profit for the year, up parities: nil (\$31,473); share
from \$33.66m. to \$35.37m., was surplus on sale of "free
again, effected by a substantial proper of the company's associate
loss on the part of Rediffusion (\$2,357,370).
Television of Hong Kong. For tax See Lex

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross

Wilkins & Mitchell loss £1.6m

TURNOVER for the year, to April 3, 1976, of Wilkins and Mitchell, improved from \$36,64m. to \$44,65m. but a pre-tax loss of \$1,649,000 was incurred, compared with a profit of \$1,747,000 in the previous 12 months, after a loss of \$1,139,000, marking a profit of

£350,000, at midway.

Losses per 35p share for the year are shown at 14.2p (earnings 1.30p) and there is a dividend of 1.30p. The company's net profit for the year was £2,547,500 net for the previous 12 months.

Far-reaching corrective measures were introduced during the last quarter to cut costs. The company's losses contained in the first half, says the chairman, Mr. H. Wilkins. Consequently additional exceptional costs of some £300,000 were incurred or provided for. This is the second half, covering in the main reorganisation and redundancy payments.

Subject to this, the chairman says the results show a small trading surplus for the second half. This was derived from, in the circumstances, satisfactory performance from the power press division and the Australian sub-

best of £1.30m. The company's earnings with total borrowings of £1.30m. The press division and the Australian subsidiary are now making profits but the main activity, Serris Washing Machines, is still very depressed and there seems no immediate prospect of any turn. With the shares at 34p the group, which is 16 pence below par, there is a capital gain of £2.2m.

Cannon St. second half reverse

Cannon Street Investments, 1

	1975-76	1976-77
Group turnover	64,649	36,134
Trade losses	1,236	788
Investment income	100	116
Exceptional debits	329	-
Loss before tax	1,646	1147
Income tax	1,020	612
Net loss	867	323
Extraordinary profits	-	14
Transfer to dividend	-	144
Ordinary	-	130
Loss retained	867	188
Profit	-	188
Company	-	188
(£107,000)	-	188
(£15,000) surplus tax prior years	-	188
(£7,000) associates tax	-	188

Amalg. Industrials up

Salaries	7,885	6,424
Depreciation	790	790
Utilities	2,385	4,630
Insurance	210	116
Freight	110	110
Telephone	140	140
Advertising	40	40
Minorities	10	26
	11,570	12,976
	11,570	12,976

* Credit.

Meanwhile, Derrington, a subsidiary of A.I., has reported pre-tax profits for the eight months to end-1975 of \$112,330 against a restated \$9,282 for the 12 months to April 30, 1975. Sales were \$1,239,399.

Though the directors are pleased that the results indicate a healthy return to profitability, they are in no position to recommend a dividend.

This is because that, in order to bring Derrington accounts into line with those of the parent, A.I., it has been necessary to restate the company's accounts for prior years, resulting in a net balance in the retained earnings account of \$239,114 and a net dividend of 0.239 in 1974-75.

Profit \$0.57/m.

Carding Green recommends a dividend of 0.192¢ net for the year to March 31, 1976, compared with 0.21¢ interim only for the previous year.

In view of the need to conserve net assets and, in particular, to improve further liquidity, the directors will not be paid until December 3.

Turnover decreased from \$8.58/m. to \$7.45/m. and there was a turnaround from a loss of \$578,000 to one of \$73,000. The operating margin per \$p share were 1.08 (0.01p) basic.

Plant	1,618	1,618
Vehicle	1,900	1,900
Tools	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
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Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671
Profit	1,671	1,671
Minorities	1,671	1,671
Prepaid	1,671	1,671
Accruals	1,671	1,671
Trade	1,671	1,671
Investment	1,671	1,671

comment

Profits of Almacanted Industries rose by 1.1 percent in the second half, even though profits over that period of its two main investments increased sharply. Herenton, in which it holds 78.3 percent, reported about 60 percent last year increased profits or the eight months in end-1973 from \$1,052 to \$1,112,000. Meanwhile, Herenton's gross increased its profits from \$251,000 to \$1,116,000 for the year in November 1973. Now it seems that the rest of the group has done rather well. The group's 1973 (today) shares give a value of 10.4 percent, covered 2.8 times, which indicates the caution of the stockholders. The Securities Commission report suggesting that Almacanted Industries reduce its stake in Herenton, Morris from 36 percent to 25 percent, is a clear legal advice about what steps should take.

Aberdeen Construction

The chairman of Aberdeen Construction

Assets	1,353,000	1973	1,164,000
Net profit	1,000	1973	1,000
Div. (share value)	11,292	1974	11,292
Div. (share value)	18,174	1974	18,174
Loss			

The decrease in interest payable in the policy of reducing his level of borrowing in March 31, 1976, £1.7m, £12.1m.

An additional benefit has been received from further tax credits in respect of previous years relating to: relief in the transition period with the merger with The Hobart Group.

Net income has risen to £2.2m. This excludes the excess over bank value of the investment property portfolio. In the opinion of the directors, the market value of the portfolio is estimated to be £2.4m., compared with the book value of £1.6m. Potential corporate tax on the excess is estimated at £0.23m.

Net losses sustained in 1973 have been recovered and indications are that the company will continue in the current year. The motor division has started well and rent revisions and new lettings should increase property investment income the directors state.

Patent

Industrial

Patent Industrial Group incurred a net loss of £53,000 during 1975, a loss of £100,000 in the previous year. The deficit was £267,000 after a tax charge of £130,001.

The loss was struck after interest charges down from £122,000 to £101,000. The directors have agreed to reduce the depressed state throughout the engineering industry.

An exceptional charge of £22,000 represents expenses of roasting subsidiaries as well as an extraordinary dividend of £35,000 to the ex-employees of Birmingham Associated Chain Company.

The 1974 figures include Birmingham Associated Chain Company and P.L. (Wales).

Group turnover for 1975 was down from £2.36m. to £1.64m.

Loss per 25p share for the year, before extraordinary items, is 4.8p, compared with the previous year's deficit of 5.2p—the last dividend payment was a 0.5p net interim in 1971.

	1975-76	1974-75
Turnover	1,22,49,362	1,07,47,771
Gross profit	1,22,49,362	1,07,47,771
Depreciation	54,57,829	52,98,098
Contingencies prov.	2,82,557	1,98,049
Share of profits	1,27,23,232	8,413,132
Share associates	1,61,420	2,62,991
Profit before tax	1,67,97,976	9,55,64,024
Tax	9,49,815	2,36,383
Minority loss	749,529	361,388
Balance	1,62,78,632	8,85,33,253
Extraordinary dividend	1,16,401	1,16,401
Attributable	7,93,944	9,39,277
Preference div.	38,680	15,589
Retained	2,37,1,770	3,39,825
Credits		

The extraordinary items of ₹1,10,431 (credit ₹56,714), comprise, after tax where applicable, increase in liabilities on bank loans in currencies arising from the net income ₹56,678 (₹1,46,000), amounts written off arising from rearrangement of group interests in South Africa

With a near 10% loss in second half, Pervin's total set for 1975 has been pushed up to ₹18.2m, against a profit of ₹23.5m in the previous year.

The directors put the big principal on the world's ailing oil market, and the consequent prices and the consequential in demand for petroleum materials.

However, the situation is changing and they expect much redress in the near future.

Turnover in 1975 fell to ₹56.1m to ₹23.8m. After credit ₹34,158, the net loss ₹1.46m—on a 2% share held's (profit) ₹1.46m, and 1974's ₹1.46m—amount a ₹2.1m operating loss by the French subsidaries.

The Unimut Corporation (America) holds just over 50%

Barker and Dobson loan stock proposals

ANNOUNCED THAT the company is now in breach of the terms of the trust deed governing the 10 1/2 per cent. Loan Stock 1952/97.

Proposals have been prepared for submission to these loan stock holders involving an improvement of income of 1 1/2 per cent. p.a. and also redemptions by drawing at the rate of £200,000 p.a. starting on September 30, 1977.

Proposals are also being submitted to the 8 1/2 per cent. loan stock holders offering them an additional 1/2 per cent. interest in consideration of an increase in the company's limited liability.

In the year to March 31, 1976 the company incurred a trading loss of £234m. compared with £235m. for the previous year.

After a price rise of 20 per cent. on the sale of properties, tax and extraordinary items, the loss for the year was £244m. (£278m.).

Turnover decreased by £324m. to £444m., reflecting the disposal of Budgets (Cash and Carry) on February 28, 1976.

The new chairman, Mr. R. Aitken, outlining the strategy for recovery, reports that the retail activities continued under the direction of Mr. N.

Highly innovative strategy with a view to improving productivity, reducing the indirect costs and rationalising the product lines. Operating on a cost basis, the company's duplicated costs are least. Last year the division made a profit of £19,000 on a turnover over £17m. Sensitive reaction to the market has allowed the company to reduce its volume production.

Steps taken involving the disposal of Edward McKewen & Co. as a part of a transformation of the company's assets. The Oakeshotts will restore adequacy of working capital and the future provided services are also eliminated.

Mr. Aitken believes that the company's diversification, though vastly reduced in size, will shortly be on a sound basis.

It is stated within the company's document that growth is the objective of George Smith, chairman, does not anticipate returns to worthwhile profitability in this division until 1977/78.

"I can give no estimate at this stage of the likely results of this strategy, but it is clear as a result of the steps the prospects have been improved.

Cohen, a director and the separate overheads involved in Roger Grayson and A. Lewis and Co. (Westminster) have been largely eliminated. Roger Grayson's premises have been closed and its operations integrated with Oakshotts. Lewis' separate offices in course of being closed and will be similarly integrated by the end of August.

In the case of Oakshotts, the operation has been centralised in one warehouse and the number of continuing shops has been reduced to 43 from 126 at March 28, 1970.

It is estimated that the prospects of the planned contraction in the retail division will result in full repayment of the overdraft within the diversion amounting to £1,300m.

he adds:

	1970-71	1971-72
Sales	£200.0	£200.0
Contractors' interest	19.0	19.0
Non-selling assets	280.0	280.0
Total selling assets	299.0	299.0
Cost of sales	140.0	140.0
Gross profit	159.0	159.0
Operating expenses	(140.0)	(140.0)
Profit before tax	19.0	19.0
Tax	(1.0)	(1.0)
Profit after tax	18.0	18.0
Dividend	(18.0)	(18.0)
Reserves	18.0	18.0
Total assets	317.0	317.0
Debt	(117.0)	(117.0)
Equity	200.0	200.0
Total liabilities	317.0	317.0
Capital employed	200.0	200.0
Fixed capital	117.0	117.0
Current assets	100.0	100.0
Working capital	100.0	100.0
Current liabilities	(117.0)	(117.0)
Net current assets	(17.0)	(17.0)
Net fixed assets	100.0	100.0
Net assets	83.0	83.0
Shareholders' funds	83.0	83.0
Additional provisions	(65.0)	(65.0)
Lessors of previous years	(18.0)	(18.0)
Extraordinary profits or losses	(18.0)	(18.0)
Goodwill	(18.0)	(18.0)
Investment	(18.0)	(18.0)
Deposits of business	(18.0)	(18.0)
Goodwill	(18.0)	(18.0)
Reorganisation costs	(18.0)	(18.0)
Increases the total	(18.0)	(18.0)

UNIT TRUSTS

Save & Prosper schemes

The Save and Prosper Group is drawing investors' attention this week-end to the various funds and investment services available from the Group. Investors have many varied objectives in investing—conservation of income, seeking capital growth—and can be looking for investment interna-

● **comment**

Under current market conditions, investors can find that equity investment is best done by means of a fund of unit-linked insurance, which is tax efficient and provides expert investment

[illegible]

LAWSON HIGH YIELD

JASCOT SECURITIES is a closed-end investment fund investing in U.S. and foreign common stocks, bonds, and the Lazard New Yield Fund, yielding an estimated gross yield in excess of 12 1/2 per cent. The aim of the fund is to provide a high level of security income and the underlying fund is spread between preference shares, investment trust in-

comment

• **comment** — The high-yielding trusts still remain among the best sellers in the unit trust field and the Lawson High Yield Fund with its blend of fixed-interest preference shares and equities offers

investors a high starting level of income combined with prospects of growth in the income payments. Investors should remember to scale down the gross yield on their stock to get the net return on such investments and impute a tax rate of 30% and a bond with a 10% yield.

[illegible]

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The struggle for control of Artagen Properties remains unresolved despite a letter from the chairman of Sun Life urging shareholders to accept their final offer of 90p per share cash. Sun Life has now acquired from acceptances, purchases, and its own stake, 44.37 per cent of the AP equity. It was announced on Friday evening that the Board of Artagen, and their financial advisers, S. G. Warburg, again advise shareholders to reject the Sun Life offer as they remain convinced that it is inadequate and unacceptable, taking into account the underlying asset value of Artagen as 125p and the prospective yield on AP's shares.

Derby and Company has increased its offer for the shares it does not already own in the steel stockholding firm of Charles W. B. Derby. This follows the purchase of 100,000 Ordinary shares and 810,000 "B" Ordinary shares at that price from Mr. Richard Cashmore. The directors of W. B. Derby, together with their financial advisers Graham Trust are recommending shareholders to accept the revised offer.

Following the purchase of 35.5 per cent of the English Assoc. American Bond and Shareholders from Estates House Investment Trust, Mr. A. E. P. Clarke, Mr. R. M. Cox-Johnson and E. D. F. Man (an international trading company with interests in sugar) are to make an offer of 36p per share in cash for the remaining equity in compliance with the City Code on Take-overs and Mergers. It is the intention to maintain quotation of the shares. The Board of EAABH has given the bid its blessing and recommends acceptance of the offer when it is made.

Wiggins Teape, a subsidiary of British-American Tobacco, is selling the goodwill and order book of Hollingworth (Turkey) which is going into voluntary liquidation. The amount paid to Wiggins Teape for the company, which makes stationery used by the Queen, and finger print paper for Scotland Yard, is not disclosed.

Other items of interest include the announcement that EMI is paying \$2.5m. for the music publishing division of America's Polygram Pictures and news of the deal whereby a group of Arab businessmen is buying the Dorchester Hotel, Park Lane, for \$9.5m. from Development Securities, a public company controlled by the MacAlpine civil engineering family.

Company	Value of bid per share	Market price	Price before bid	Value of bid (£m)	Final Acct'ce date
Ashbourne Inv.	21*	41*	41*	1.8*	Incentive
Assau Cons.	22*	18*	18*	0.5*	Investments
Bridgton & Hove	38*	46*	46*	1.8*	Manbre & Gm.
Brighton & Hove	38*	46*	46*	1.8*	Manbre & Gm.
Stadium	56*	53	52	0.5bd J. Coral	
British-American Tobacco					
Tobacco Secs. Ltd.					
Do. Ltd.					
Burton (M.) Prop.	75*	75	75	1.035e	Agreed merger
Clark & Fenn	75*	75	75	1.035e	Agreed merger
Dares Estates	24*	91	122	0.05*	4Pric. Constm.
East & West Inv. Trust	33*	52	53	1.3*	Latham
E. Sussex Engrs.	30*	30	22*	1.9*	Aurora Hldgs.
East & West Inv. Trust	33*	52	53	1.3*	Latham
Bond & Shilds.	364*	370	300	0.04*	Cox-Johnson & E.D.F. Man
First Flapship Ltd.	35*	34	19	0.08*	J.D. Hutchison
Form Prop.	47*	48	29	2.8*	Woodhouse, Drake
Haigh & Whist. Hall (W.W.)	28*	23	20	1.2*	Dent Fowmes
Hardman (Thos.)	25*	24	11	0.2*	Scapa Grp.
Jervons (E.E.)	88*	84	61	2.0	Pentec
Keith & Hendrsn.	80*	82	76	3.6*	Welfare Insur.
Kennedy (Allan)	37*	34	33	0.5*	Ferguson Indl.
London Tm. Marshall (Thos.)	91*	85	73	4.4	Wm. Baird
Maybrook Prop.	47*	45	32	1.9*	Crandace Holdings
Metropole Inds.	50*	50	32	0.4*	Int. Combustn.
New Bridge Hldgs.	21*	22*	35	0.5*	Harcourt Irish Holdings
New Ireland Assee	110*	118	98	3.8*	P.A.P.A. Insur.
Peacock Sastin	57*	54*	47	0.5*	Warren Platin.
Perak River	450*	447	383	8.1*	Guvernment Indl.
Pos. Plats.	163	157	188	63.3	Union Platin.
Scottish Scotl. Inv. Trust	72*	72	51	41.5	Scott. Inv. Tsl.
Sheep (E.)	81*	78	50	1.3*	Jeplings
Spencer, Turner & Bolders	137*	121	73	0.7	Dent Fowmes
Thermal Syndicate	30*	35	41*	3.5*	Polygram
Thermal Syndicate	30*	35	41*	3.5*	Polygram
Wade (C.) Ord.	10*	10*	91	0.14*	Derby & Co.
Wade (C.) Ord.	10*	10*	91	0.14*	Derby & Co.
Walwick Eng.	38	38	21	2.8	Caltrane
Walwick Eng.	38	38	21	2.8	Caltrane

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Allen Balfour	Mar. 37	2,344	10.1	10.1
Amber Indust.	Mar. 31	173	11.0	11.0
Anderson, Strithel	Mar. 31	2,526	12.4	12.4
Assed. Leisure	Mar. 14	1,771	12.4	12.4
ATV	Mar. 28	6,626	12.4	12.4
E. Austin (Ind.)	Mar. 31	2,514	12.4	12.4
Seachdrie, Constr.	Mar. 31	588	12.4	12.4
Bell & Sime	May 1	163	10.5	10.5
A. & C. Black	Dec. 31	101	18.2	18.2
Bradford Prop.	Apr. 5	3,331	22.4	22.4
Brit. & Am. Film	Dec. 31	44	1.7	1.7
British Sream	Mar. 31	1,156	11.7	11.7
British Tar	Mar. 31	1,011	11.7	11.7
N. Brown Inds.	Feb. 28	517	12.5	12.5
Brown & Tawse	Mar. 31	2,281	12.4	12.4
Bulmer & Lamb	Mar. 28	624	12.4	12.4
Calways	Mar. 31	906	12.5	12.5
Celestion Inds.	Apr. 2	857	12.5	12.5
C.H. Industrials	Mar. 31	1,015	12.5	12.5
Combe Group	Mar. 31	1,232	12.5	12.5
Continous Group	Mar. 31	95	12.5	12.5
James Cropper	Mar. 31	2,021	12.5	12.5
Godfrey Davis	Mar. 31	1,214	12.5	12.5
Dimplex Inds.	Mar. 31	473	12.5	12.5
Edmore (Hdcs.)	Mar. 31	2,141	12.5	12.5
E. Elloit	Mar. 31	3,106	12.5	12.5
Evans of Leeds	Mar. 31	727	12.5	12.5
James Finlay	Dec. 31	3,756	12.5	12.5
Graham Wood Stl.	Mar. 31	225	12.5	12.5
Hambros	Mar. 31	5,215	12.5	12.5
Harcourt Irish	Dec. 31	45	12.5	12.5
L.C. Gas Supply	Mar. 31	14,701	12.5	12.5
Lockwood & Lamb	Mar. 31	727	12.5	12.5
Leopold Joseph	Mar. 31	510	12.5	12.5
Wm. Lawrence	Dec. 31	373	12.5	12.5
F. H. Lloyd	Apr. 5	4,040	12.5	12.5
"Lois"	Mar. 31	2,116	12.5	12.5
J. Lyons	Mar. 28	10,025	12.5	12.5
Manfred Erwin	Mar. 31	1,807	12.5	12.5
R. Patterson	Mar. 27	432	12.5	12.5
Plessey	Mar. 31	37,397	12.5	12.5
Powell Duffryn	Mar. 31	1,408	12.5	12.5
Property Hldg.	Mar. 31	1,259	12.5	12.5
Racal Electronics	Mar. 31	19,466	12.5	12.5
Renold	Mar. 28	10,825	12.5	12.5
Reynolds	Mar. 31	1,408	12.5	12.5
Shaw Carpus	Apr. 30	835	12.5	12.5
Sheepridge, Eng.	Mar. 31	4,600	12.5	12.5

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Stead & Simpson	Mar. 31	1,337	12.5	12.5
Steering Inds.	Mar. 31	453	12.5	12.5
Supra Group	Nov. 30	345	12.5	12.5
Tecalemit	Mar. 31	1,189	12.5	12.5
Tesco Stores	Feb. 28	25,032	12.5	12.5
Trident Printers	Mar. 31	383	12.5	12.5
Unicomb Hldgs.	Mar. 31	784	12.5	12.5
Vernon Fashion	Jan. 31	457	12.5	12.5
Warnford Inds.	Dec. 23	1,398	12.5	12.5
Whitecroft	Mar. 31	3,088	12.5	12.5

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Allied Breweries	May 8	27,000a	1.117
Anglia TV	Apr. 30	849	3.394
S. & W. Berisford	Mar. 31	5,331	2.75
Bishopsgate Pty.	Dec. 31	55	(413)L
T. Cowie	Mar. 31	523	0.6
Eldridge Pope	Mar. 31	227	0.22
J. H. Fenner	Feb. 28	2,877	2.5
Freshbake Foods	Mar. 31	23	(238)L
Healy	Mar. 31	434	0.69
Irish Distillers	Mar. 31	1,362	1.73
Arthur Lee	Mar. 31	300	0.35
Leyland Paint	Apr. 3	310	(68)L
Lookers	Mar. 31	261	(311)
Oliver Rix	Mar. 31	66L	(284)L
Picassuma	Mar. 31	109	(175)
Tollmache & Co.	Mar. 31	108	(178)
Utd. Spring & Stl.	Mar. 31	137	(151)

Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † Gross. ‡ For 12 months. § For 14 months. ¶ For 10 months. ** For 8 months. †† Includes interim on £1 shares. L Loss.

Rights Issue

Vernon Fashion Group: One-for-one at 20p each.

Script Issue

Supra Group: One-for-ten.

BIDS AND DEALS

Artagen promises early dividend payment

In another strongly-worded letter, calling the Sun Life Assurance Society bid "opportunistic and inadequate", Mr. David Webb, chairman of Artagen Properties, has called on shareholders to reject the offer and stressed that any acceptance already tendered can now be withdrawn.

Anticipating a successful defence, Mr. Webb states that immediately the Sun Life offer is rejected, Artagen will pay a special interim dividend of 3p per share net (3.075p gross). This is a significant cash for shareholders, being an early payment of most of the increased dividend forecast of 2.000p per share net for the current year.

Mr. Webb also reminds shareholders that, on the new income distribution policy, the final dividend for the current year, should the company have exceeded the forecast, might also be raised.

Artagen from this accelerated dividend promise, Mr. Webb stresses that the underlying asset value of Artagen shares is 125p; that the company has excellent future growth prospects based on the 50m. cheap long-term finance from Sun Life and the 24m. estimated additional net rental over the next five years; that with capital gains tax the 40 per cent of shareholders who have held Artagen since 1965 or before should receive only about 67p from the offer, that the Artagen bid is well above the average.

Mr. Webb states that in the ten weeks since Sun Life's first offer the property market has improved and that Artagen's overseas assets

have appreciated in sterling terms with the decline of sterling.

RAYBECK SALE AND LEASEBACK
Raybeck has completed the sale of the freehold, and the leaseback of the premises 308 Oxford Street, London. Prior to the sale Raybeck had acquired, by way of addition to its existing leasehold interest, the freehold and an outstanding head lease at a cost of approximately £15m. The sale price of the entire freehold interest was £24.25m, yielding a gain, after all expenses but before providing for tax, of some £23.25m.

The new lease is for 35 years at a commencing rental of £275,000 per annum with five yearly upward reviews. The cash flow resulting from the sale is to be used for the continued expansion of the business.

BRIGHTON STADIUM UNCONDITIONAL
The casual guest offer for Brighton and Hove Stadium shares not already owned has become unconditional. Acceptances have been received in respect of 158,000 shares (11.3 per cent) and Coral now has 51 per cent. The offer remains open. The office of Fair Trading has informed Coral that there will be no reference to the Monopolies Commission.

NO PROBES
Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection has decided not to refer the following proposed mergers to the Monopolies and Mergers Commission.

TRAFALGAR WINS CLARK & FENN
With a full week remaining until acceptance day, Trafalgar House Investments has won control of Clark and Fenn (Holdings) following the purchase of a further 387,212 shares yesterday at 79p which brings its total holdings to over 63 per cent.

DUPOURT BUYS
Duport has acquired the capital of Swift Levick and Sons of Sheffield, for £21,756 cash.

KEITH & HENDERSON
The Board of Keith and Henderson considers the 80p cash bid from Welfare Insurance, for which the offer document has been posted to shareholders, to be "totally inadequate". A letter detailing reasons for rejecting the offer is being prepared.

DEBENHAMS
The holders of 1,074,902 Ordinary and 41,778 8 per cent (15.8 per cent net) Preference Shares (representing 97.72 per cent of each class) of Debenhams have accepted the offer from Debenhams. The offer became unconditional on June 7 and remains open.

Improving trend at Valor

SECOND half pre-tax profit of The Valor Corporation increased sharply from £124,000 to £202,000 in the six months ended 31st March 1976. The pleasing of 50m. convertible unsecured loan stock 1973-78 of Debenhams is now conditional only on the approval of members.

THERMAL STILL SAYS NO
Although International Combustion (Holdings) has received only 0.5 per cent acceptances in addition to its existing 2.4 per cent, holding in respect of Thermal Syndicate, the chairman, Mr. J. A. Talbot, has written to Thermal holders to say that "we cannot and any consent reasons for you not to accept our offer for us to increase it."

However, the board of ICH has now told Thermal holders that they can retain the 2.5p net interim dividend recently announced by Thermal, and is extending its offer to July 9.

The chairman of Thermal reacted quickly to this appended offer yesterday, saying that "I am not in a position to improve in the terms" and he strongly urged shareholders of Thermal to reject it.

ENGLISH ASSOCN.
The directors of English Association of American Bond and Share Holders have given consideration to the terms of the offer intended to be made by Mr. A. E. Clarke, Mr. R. M. Cox-Johnson and E. D. F. Man to acquire the ordinary shares of the company not already owned, and have unanimously decided to recommend acceptance to shareholders.

YARROW
Yarrow announces that Vesper Thurneroff has increased its holding in 540,000 Ordinary shares (21 per cent).

Pullman full year decline

1975-76 1974-75
Profit before tax £3,400 £3,400
Corporation tax (1,621) (1,621)
Group profit £1,779 £1,779
Dividends £1,779 £1,779
Profit after tax £0 £0
Basic earnings per share 0.00 0.00
Dividends per share 0.00 0.00
The last quarter was the best for two years, but the chairman states that the overall trend, although satisfactory, is an unsatisfactory return not only on capital employed but also as a percentage of the business transacted; it does not provide a sufficient surplus to deal with improvements.

The prospects for the low cost energy appliance business are good, he adds. Basic earnings per 25p share are shown to be 3.18p (6.28p or 12.56p).

ADD ACCOUNTS DELAYED
Following their meeting on June 22, the directors of Adda International decided that additional information needed to be obtained in respect of the Danish subsidiary before the 1975 group results can be announced.

This information is expected to be made available over the weekend, and a further Board meeting will be held on June 30 after which it is intended to announce the results.

INTERIM STATEMENT

S & W Berisford Limited

THE INTERNATIONAL FOOD GROUP
Very Satisfactory Year's Result Forecast
Interim Statement for the half year ended 31st March 1976 (Unaudited)

	6 months to 31st March 1976	6 months to 31st March 1975
Group Turnover	272,588	314,378
Group Net Profit before taxation	5,331	4,638
Taxation:		
U.K.	2,057	1,629
Overseas	547	479
Group Net Profit after taxation	2,727	2,528
Deduct:		
Minority Interests	74	75
Preference Dividends	3	78
Profit available for ordinary shareholders	2,650	2,450

Turnover and Profit Analysis 6 months to 31st March 1976			
	£000	% of Total	% Profit to Sales
U.K.	158,000	58.3	2,681
Europe	23,000	8.4	829
North America	32,000	11.7	574
Entire*	273,000	100.0	5,331

* External trading on which profits accrue to the U.K.

The unaudited accounts for the first half of the current year show that the Group has made a very satisfactory year's result. The pre-tax profit has increased by almost £700,000 - an increase of 15% over last year. The reduced turnover is a reflection of the more cautious approach in some areas of trading which was referred to at the Annual General Meeting.

There was a substantial increase in profitability in the U.K. reflecting not only the improved management in these companies but also material interest savings resulting from the funds generated by the Rights Issue in November 1975.

We are confident that the further improvement in overall Group profits will continue for the remainder of the financial year and that, barring unforeseen circumstances, the year as a whole will produce a very satisfactory result.

The Directors have declared an interim dividend of 2.75p per share (equivalent with the tax credit to a gross dividend of 4.231p per share or 16.92% against 2.5p per share (15.38%) for the same period last year.

This dividend, which will absorb £787,584, will be paid on 8th October 1976 to Ordinary Shareholders on the Register as at the close of business on 3rd September 1976.

RECENT ISSUES

EQUITIES

Company	1976	1975
101a	81e	81e
101b	81e	81e
101c	81e	81e
101d	81e	81e
101e	81e	81e

FIXED INTEREST STOCKS

Company	1976	1975
101a	81e	81e
101b	81e	81e
101c	81e	81e
101d	81e	81e
101e	81e	81e

"RIGHTS" OFFERS

Company	1976	1975
101a	81e	81e
101b	81e	81e
101c	81e	81e
101d	81e	81e
101e	81e	81e

RACE for a GOLD MEDAL INVESTMENT

With the Mornington Permanent Building Society

26% GROWTH IN MOST SUCCESSFUL YEAR

This most encouraging information was announced by Mr. Eric G. Samson, F.R.I.C.S., Chairman, when he addressed the 110th Annual General Meeting on 21st June 1976.

Despite the national background of inflation and the minimum lending rate the Society had expanded by 26% or nearly £4 million, making the growth in four years 100% to £18.7 million.

The Chairman continued "this has been achieved by offering a high return to investors and a speedy and efficient mortgage service coupled with economies in our operation. I would stress that our management expense ratio has been held at 72p for each £100 of our assets and I submit that this is no mean feat."

Other points from his speech were:
● The Reserve Ratio is 4.17%, well in excess of the 2.5% required for Trustee Status.
● The liquidity ratio of 23% allows an adequate margin for contingencies.
● £13 million was advanced to house buyers during the year.
● There were no mortgage losses.

Mr. Samson said "Our thanks are due more than ever this year to the Manager and his staff and to our many agents, valuers and other professional connections for their valued support."

The membership voted to change the name of the Society to Mornington Building Society.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of

LOCAL AUTHORITY BONDS on offer to the public.

For further details, please ring 01-248 8000 Extn. 459

HOME NEWS



The West Pier at Brighton, unused since last September.

Contractor unveils plan to save Brighton pier

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

PLANS to save Brighton's rusting West Pier from deteriorating further by turning it into a multi-million pound entertainment and leisure centre were presented yesterday to the local community.

The pier, built 110 years ago and hailed by Sir John Betjeman as one of the finest in the British Isles, was shut in September by its owners, AVP Industries.

Since then, it has been on the market for £1, though the conditions attached to its sale have prevented buyers from coming forward.

The pier's closure last year started a vigorous local campaign to ensure that it was preserved as an integral part of Brighton's sea front. The plans presented yesterday were being seen as the best chance yet to guarantee its future.

The proposals came from Mr. Marc Turner, a building contractor, who said that he and his financial backers were prepared to spend £500,000 on a survey to ensure that the pier could be repaired economically.

If the findings were favourable, the redevelopment—which would

include a night club, music hall, concert hall, theatre and restaurant—could then begin.

Support

The fight to keep the pier from going the way of many other outstanding examples of architectural heritage has not been easy, and the unveiling of Mr. Turner's plans do not yet represent a happy ending.

Mr. Turner says that he and his backers, who remain anonymous, are not prepared to commit themselves to any expenditure unless they are given an option to buy the pier by the owners. If this is forthcoming, then the survey can proceed.

Mr. John Lloyd, secretary of the West Pier Society, said that the proposals, which would not impose any burden on ratepayers, deserved "careful but sympathetic consideration."

There was no question that the pier should not be preserved and any plans which showed that it could be made to pay as a leisure centre should be given wholehearted support.

The main stumbling block according to the campaign leaders, is the insistence of AVP that while it is prepared to sell the pier for £1, the buyer must be able to show that he has £2m. at his disposal to renovate it.

Campaign supporters do not, however, believe that development of the pier would cost as much and claim that AVP's insistence on the £2m. figure is unrealistic.

Mr. Lloyd, who has the backing of celebrities such as John Brabyn, Dora Bryan and Paul Scofield, says that the present owner's refusal to consider anything other than their own conservation of the pier is threatening the pier's future.

Meanwhile, slightly better news for pier-fanciers from the longest pleasure pier in the world, Southend—once and a third mile long. There have been fierce debates as to whether the Council should maintain what is admitted to be a perpetual loss-leader for the resort. But councillors have agreed that it should be kept.

Cockfield to stay price controller

SIR ARTHUR COCKFIELD, who has headed the controversial Price Commission since its inception in 1973, has been re-appointed chairman for a further year to see the code through Phase 2 of the counter-inflation policy.

Sir Arthur, who is now 60, has indicated that he would not wish to continue in office beyond the end of July of next year.

The extension of his chairmanship comes just as the Prices Department is preparing the revised form of the code for publication next week.

His re-appointment, which seems to have been widely expected, was sought by the Government in view of the need for continuity over the next phase of price control.

Confidence behind devolution Bill

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. MICHAEL FOOT, Lord President of the Council and the senior Minister responsible for devolution, yesterday reaffirmed the Government's commitment to legislate for new assemblies in Scotland and Wales in the next session of Parliament, and said it was too early to talk about a guillotine on the devolution Bill.

He was replying to a letter signed by 70 Labour MPs informing him that they would be unable to support a guillotine motion should the Government attempt to introduce one.

Despite the increasing vocalisation of English backbenchers to devolution, the Government remains confident that the Bill will be on the statute book by autumn, 1977, in time for assemblies in Edinburgh and Cardiff to be elected in May 1978.

Ministers believe that hardcore Labour opposition will dwindle to between 15 and 30 backbenchers when it comes to flicking through the division lobbies.

MPs force seat belts Bill delay

By Justin Long

OPPOSITION MPs last night increased the log jam to the Government's legislative programme by forcing Ministers to postpone the final stage of the Bill to make the wearing of car seat belts compulsory.

Criticism of the Road Traffic (Seat Belts) Bill, mainly but not entirely from the Tory side, kept the Commons sitting so late yesterday evening that Mr. John Gifford, Transport Minister, finally called a halt to debate before it had achieved its third reading.

The Government is expected to put the Bill on the agenda for further debate late on Monday night in the hope that it will then complete its passage through the Commons.

Before it does so, the Government will present a controversial amendment to restore to £50 the proposed fine for breaking the seat belt law in the committee stage the Tories had reduced the penalty to £10.

Let buses carry mail, say councils

SMALL BUS operators should be given greater encouragement and be allowed to carry schoolchildren, goods and post, the National Association of Local Councils said yesterday.

The association, commenting on the Government's consultation document on transport policy, said that the complex burdens of licensing and labour regulations, and of taxes, should be reduced for these operators.

"The Continental post bus may not be the solution to all problems, but it should be taken more seriously than it is."

There was an obvious absurdity in a public transport arrangement which attempted to move adults, schoolchildren and mail by different means. Each of these was proving to be expensive that the service it was meant to underpin was being cut or abandoned.

On subsidies, the association pointed to the dangers of administration swallowing up a large proportion of the money available. Parish and community councils could play a role in reducing these costs.

Evidence showed that the public service had too often collapsed under the weight of its own inefficiency. "Bus services to replace railway lines or mitigate station closures have failed to pay or been withdrawn."

This week's SE dealings

Friday, June 25 4:20T Wednesday, June 23 4:31T Monday, June 21 4:28T
Thursday, June 24 4:20T Friday, June 22 4:14T Tuesday, June 20 4:12T

The list below records all yesterday's dealings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the same of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. The Stock Exchange Daily Official List, the indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in an order can be executed at any one price is recorded.

§ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. § Bargains done for delayed delivery or "no business." §A—Australian; §B—Bahamas; §C—Canadian; §HK—Hong Kong; §I—Singapore; §J—Japan; §K—Korea; §L—Luxembourg; §M—Malaysia; §N—Netherlands; §NZ—New Zealand; §S—Singapore; §US—United States; §W—West Indies.

BRITISH FUNDS (374)
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372.5p British 2344-45 2344-45
373.5p British 2345-46 2345-46
374.5p British 2346-

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NEW HIGHES AND		LOWS FOR 1976	
The following securities quoted in the Information Service are expected to be in the market for 1976.		Farnley Hawken Renold	
New Highs (18)		FOODS (15)	
Share		Adair A. J.	
U.S. SEC. REG. 1932		Barn's Super	
LOANS (1)		Gratch's Sigs	
AMERICANIS (5)		Nyrinex Foods	
Blue Chip		INDUSTRIALS (17)	
Gen. Electric		A&H	
IBM Corp.		Ampac	
Bever Peasod		Ampac	
ENGINEERING (1)		Browning (Musel)	
FOODS (1)		C&I	
Midland Can. Ind.		Dowling J.	
INDUSTRIALS (1)		Feldman (B.)	
CN Industri		Grande A	
Newmont I. M.		INSURANCES (1)	
Arlington Mfg.		General Acc'dent	
MOTORS (1)		PAPER (1)	
NEWSPAPERS (1)		Cutter Guard Brng	
THOMSON		PROPERTY (1)	
PAPER (1)		Barrett Devel.	
Geert Gross		SHIPPING (2)	
TEXTILES (1)		Deardon Smith	
TRUSTS (1)		Steam	
MINES (1)		TEXTILES (2)	
		Cottonmans	
		Fiber (3)	
		DILS (1)	
		Ultrafar	

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ACTIVE STOCKS

YESTERDAY—

Stock	Denomina- tion	No. of shares	Closing price	Change on day	1978 high	1978 low
Barclays Bank ..	£1	11	273	—	370	265
Glaxo	50p	11	370	— 7	422	337
Royal Electric ..	25p	10	219	— 8	266	210
Shell Transport ..	25p	10	430	— 2	484	378
Brit. Leyland ..	50p	9	32	—	38	22
Burmah	£1	9	66 1/2	—	68 1/2	57 1/2
Burmah Oil	£1	9	42	+ 1	53	31
I.C.I.	£1	9	37 1/2	— 1	402	328
Covenham	25p	3	111	— 1	136	108
GEC	25p	3	155	— 1	168	142
Lloyds Bank	£1	5	215	—	269	203
Marks & Spencer	25p	8	68	+ 1	108	88
Newsam	25p	7	370	—	390	338
"Bata"	7	7	360	— 1	410	342
Distillers	50p	7	144	— 4	153	120

The above list of active stocks is based on the number of barotins recorded yesterday in the Official list and under Rule 165(1) (c) and reproduced in daily in the Fitch Exchange denims.

ON THE WEEK—

Stock	Denmina- tion	No. of marks	Closing prices	Change on week	1978 high	1978 low
Shell Transport...	25p	62	420	+22	462	378
UCL	£1	57	351	-12	402	328
Barclays Bank ...	£1	55	278	-7	350	265
Marshall & Spencer	25p	45	600	+5	683	578
RTZ	25p	40	209	-1	258	173
RGTC	25p	38	155	-4	188	142
SBCC	50p	37	372	-2	370	304
Barclays Bank ...	25p	37	380	-15	410	342
De Beers Devel...	R0.03	37	220	+12	233	198
Burmah Oil	£1	36	42	-1	53	31
Rank Ore	25p	36	188	-8	195	142
Rank Ore Devel...	£1	35	104	-119	119	57
Development Secs	25p	34	350	+60	423	215
Royal Ins.	25p	33	280	-8	312	266

Option Report—3-month Call Rates

OPTION DEALING DATES				Copper	Neill.	"Gussies"	"A."
First	Last	Last	For	Wor.	Trailer.	Dunlop.	MEPC.
Deal-	Deal-	Declara-	Ment				
ings	ings	tion					
Jun. 22	July 5	5 Sep.	5 Sep.	68			
July 19	Sept. 30	Oct. 12					
Aug. 2	Oct. 14	Oct. 28					

"Calls" were dealt in ICI, Altrix Warrants, BSE, Bridgend, Altrix Warrants, BSE, R. and G. Cuthbert, British Land, Slater Walker and Burnish Oil.

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LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley (0236 203393)	11½	1-year	5,000	3-7
Barnsley (0236 203332)	11½	1-year	250	3-7
Basildon (0268 22881)	11½	1-year	10,000	1
Basildon (0268 22851)	11½	1-year	10,000	2
Greenwich (01-554 8885)	11½	1-year	1,000	4-7
Liverpool (051 227 2011)	11½	1-year	500	3-4
Liverpool (051 227 2011)	12	1-year	500	3-7
Oxford (0765 49811)	12½	1-year	5,000	4-5
Poole (02013 5131)	12½	1-year	500	3-7
Poole (02013 5131)	11½	1-year	500	2-4
Reading (0734 53011)	11½	1-year	1,000	3-5
Redbridge (01-478 7020)	12½	1-year	1,000	4-5
Sandwell (021 560 2228)	12	1-year	1,000	3-5
Sefton (051 922 4040)	11½	1-year	2,000	2
Sefton (051 922 4040)	12	1-year	2,000	4-5
Sth. Bedfordshire (05253 2369)	11½	1-year	1,000	1-2
Southend (0702 40451)	11½	1-year	250	2-4
Wandsworth (01-874 6462)	12½	1-year	5,000	5-7
Wandsworth (01-674 6161)	12	1-year	1,000	5-7
Wexham (0252 505051)	11½	1-year	2,000	3

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Name and description	Size (\$m.)	Current price	Terms*	Conversion dates
American Aluminium 9pc Cv. 88-94	12.00	65.00	100.0	7-6-50
Associated Paper 94pc Cv. 83-90	1.40	75.00	200.0	7-8-53
Bank of Ireland 10pc Cv. 91-96	10.25	116.00	33.7	77-91
PB 74pc Cv. 88-94	4.89	86.00	62.0	72-86
English Property 61pc Cv. 98-03	8.54	97.00	230.0	78-84
English Property 12pc Cv. 00-65	15.31	97.00	150.0	76-84
Grand Metropolitan 10pc Cv. 91-96	122.99	86.00	120.2	73-77
Hanson Trust 64pc Cv. 88-93	4.51	88.00	57.1	76-84
Keweenaw-Stuart 7pc Cv. 1995	0.72	130.07	336.0	75-05
Lions, Jr.-Type Cv. 1981	3.60	74.00	22.7	75-81
Lough Estates 10pc Cv. 87-90	3.50	122.00	125.0	78-87
Mozzer, Kemaley 8pc Cv. 1961	7.33	92.00	153.8	74-77
Wilkinson Match 10pc Cv. 83-98	11.10	\$5.00	40.0	76-83

* Number of Ordinary shares into which £100 nominal of convertible stock is converted at the expiry of the convertible term. * Three-month range. † Income on conversion basis assumed to accrue in arrears, summed from present time until income on conversion date whichever is earlier. Income is assumed to grow at 5% per cent. Convertible income is assumed until conversion and present valued at 15% per cent. converted as per cent. of the value of the underlying equity. - The difference has no overriding currency. + is an indication of relative cheapness, - is an indication

Statistics provided by data STREAM International							
Flat yield	Red. yield	Fremium†		Income			Cheap(+) / Dear(-) %
		Current	Range‡	Equ.‡	Conv.‡	Diff.‡	Current
11.1	14.5						
13.4	14.4	- 33.9	7 to 29	38.1	60.0	21.2	- 12.8
8.6	8.4	16.8	10 to 27	50.0	53.3	8.4	- 8.4
9.2	9.6	18.6	- 2 to 24	22.3	23.7	1.9	- 16.7
6.8	6.8	- 2.5	- 15 to 19	27.4	17.7	- 9.7	- 7.3
12.6	12.6	52.2	31 to 77	29.8	55.0	39.6	- 12.6
12.0	12.2	9.2	- 2 to 22	12.4	13.5	1.4	- 7.8
7.7	8.2	28.6	6 to 29	33.5	34.2	1.1	- 27.5
5.5	4.8	3.2	- 10 to 3	64.8	47.5	- 13.7	- 16.9
10.1	15.2	270.0	165 to 270	12.3	26.1	69.2	-200.8
8.2	7.1	31.9	21 to 55	24.5	53.1	30.8	- 1.1
8.6	10.3	15.0	- 1 to 34	13.5	19.3	7.4	- 7.7
11.7	11.9	52.9	36 to 86	23.8	45.0	34.6	- 13.8

Note. † The extra cost of investment in convertible expressed as per cent. of the price of ordinary shares into which 100 nominal of convertible stock is convertible. Ordinary shares is greater than income on 100 nominal of convertible or the final premium and is present valued at 15 per cent. per annum. ‡ Income on 200 of convertible per annum. ¶ This is the value of the convertible less income of the underlying equity given by premium and income difference expressed as per cent of the value of the relative decrease.

Markets subdued again on lack of investment activity

Share index down 1.3 more at 375.1 for loss of 11.8 on the week

FINANCIAL NEWS STOCK INDICES

	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15
Government Secs.	62.95	62.76	62.99	62.76	62.58	62.55	62.55	62.55	62.55	62.55	62.55
Fixed Interest	62.50	62.59	62.43	62.43	62.43	62.43	62.43	62.43	62.43	62.43	62.43
Industrial Ordinary	575.1	575.4	582.3	584.9	585.2	586.5	586.5	586.5	586.5	586.5	586.5
Gold Mines	167.5	165.9	165.9	171.5	171.5	171.5	171.5	171.5	171.5	171.5	171.5
Ord. Div. Yield	5.75	5.73	5.63	5.59	5.51	5.51	5.51	5.51	5.51	5.51	5.51
Earnings Yield	16.24	16.23	16.09	15.88	15.83	15.76	15.76	15.76	15.76	15.76	15.76
P/E Ratio (incl. 10%)	9.09	9.17	9.06	9.33	9.50	9.40	9.40	9.40	9.40	9.40	9.40
Dividends margin	4.207	4.350	4.512	4.140	4.058	4.154	4.154	4.154	4.154	4.154	4.154
Equity turnover	—	43.35	70.55	55.95	47.75	51.25	51.25	51.25	51.25	51.25	51.25
Equity leverage total	10,661	9,637	9,952	9,952	9,952	9,952	9,952	9,952	9,952	9,952	9,952
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
10 a.m. 575.2	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3	11 a.m. 575.3
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INDUSTRIALS—Continued

Stock	Price	Div	Yield	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	9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FINANCIAL TIMES

Saturday June 26 1976

SKIPTON BUILDING SOCIETY

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MAN OF THE WEEK

Aristocrat for the people

BY ROBERT MAUTHNER

VALERY Giscard d'Estaing has established himself as a respected world figure in record time. It was only two years ago that he was elected as the President of the Republic at the relatively tender age of 48, but even in this short time, Giscard, as he is commonly called, has succeeded in substantially changing the image of his country—much for the better as far as the outside world is concerned.

This has been made possible partly by President Giscard's personal dislike for "conflict" and his conviction that acceptable compromises can be reached on most international problems without the abandonment of basic principles. The



improvement in France's relations with the U.S. since his election is a striking example of what can be achieved without any bending of lists on the table.

The situation of this low profile has not, however, prevented Giscard from taking a number of important international initiatives in areas in which he believes a consensus can be reached. Several have borne fruit, such as the regular meetings of Common Market heads of government under the label of European Council, the north-south conference between industrialised and developing countries and last year's Rambouillet economic summit. Some, such as the proposal to create a European Directorate of the major Common Market members were ill-advised and non-starters, but they do not invalidate the general impression that Giscard is a man with original ideas who is interested in giving France a constructive rather than a negative role in world affairs.

New ideas, too, have been his. Giscard's domestic policies, and the whole style of his Presidency, surprising in a man of his conservative background. The descendant of a long line of high state officials, courtiers and his businessmen, who claims that Louis XV and a certain Admiral D'Estaing who fought with La Fayette on the side of the rebels in the American War of Independence were among his ancestors, has adopted a programme of social reform and pushed through legislation legalising abortion and liberalising contraception and divorce.

He has invited distrust to breakfast at the Elysée Palace, regularly has dinner with ordinary French families in far-flung villages and has been seen in green dinner jackets at social evenings for members of the Government. The Parisian "salons" may turn up their noses at such "eccentric" behaviour, but Giscard has succeeded in proving that he has a better political nose than they.

In his presidential election campaign the man who was France's finance minister for most of the period between 1962 and 1974 conducted an American-style campaign and not just the right note at his political meetings. Suddenly, the tall, aristocratic and shy Giscard, who, according to General de Gaulle, would always have trouble getting through to the people, achieved a degree of popularity of which few thought him capable.

The honeymoon period, of course, has long ended. He has never had a copper-bottomed parliamentary majority and the Gaullists, who have never really liked Giscard and suspect that he is out to destroy them in the long run, are becoming increasingly restless. Even worse from the President's point of view, the possibility of a Socialist-Communist victory at the 1978 parliamentary election can no longer be ruled out and he might be forced to govern with a hostile National Assembly.

It is in such conditions that his real mettle will be tested. For there can be little doubt that Valéry Giscard d'Estaing has had a relatively easy ride so far and that his most difficult years still lie ahead.

Azevedo backers fail to have poll delayed

BY PAUL ELLMAN

LISBON, June 25

CAMPAGNING in Portugal's first free presidential election in half a century officially closed today under a shadow cast by the illness of one of the candidates—Admiral Pinheiro de Azevedo.

The Admiral, Prime Minister in the present caretaker government, was said to be improving after the heart attack he suffered while campaigning in Oporto on Wednesday, yet his condition remained serious. His death would cause postponement of Sunday's vote.

To-morrow is a day of reflection for Portugal's 6.2m. voters as they choose from four candidates for the presidency of the second republic.

The election of a new President ends two years of political debate marked by considerable acrimony and violence over which direction the Portuguese revolution should take after the April 25 coup which ended the right-wing dictatorship.

Choosing a new head of state puts into effect a new constitution, and will also in the near future bring a Government to replace the six provisional cabinets Portugal has had in two years.

Apert from Admiral Pinheiro de Azevedo—whose followers

failed in a Supreme Court bid to-day to have Sunday's poll postponed—the contenders are General Ramalho Eanes, Army Chief of Staff, Major Otelo Saraiva de Carvalho, folk hero of the April 25 coup, and Senhor Octavio Pato, a leading member of the Communist Party's central committee.

General Eanes, a brooding and austere figure, has the backing of Portugal's three biggest political parties—the Socialists, Popular Democrats, and Centre Democrats—who together took three-quarters of the vote in last April's parliamentary elections.

His supporters are expected to win a first-round victory on Sunday.

Earlier prospects of his achieving this were thought to have been damaged by bitter attacks from his opponents alleging that he could take Portugal back to authoritarian rule and also by the rough methods his supporters have used during the campaign.

The allegations and counter-

allegations threatened to reach a crescendo this week before Admiral Pinheiro de Azevedo, the General's most strident critic, collapsed in Oporto.

Apart from the personal attacks on one another by the three main candidates, the campaign failed to produce any overriding issues. In part because any measures taken to snipe Portugal's enormous economic and social problems will in the first instance be the responsibility of the next government.

All four candidates said they would go ahead with the socialist plan to form a minority government after Sunday's election, but only Gen. Eanes offered the guarantees of Mario Soares, leader of the Socialists, and his colleagues need in order to have any hope of surviving beyond a few months.

The first threat to this government is expected to come in late summer from Communist-led unions which are thought likely to stage a confrontation aimed at keeping alive the Party's call for portugal to a "government of the Left". It seeks to form with the Socialists.

Portugal between military rule and democracy Page 12

Favourite

The virtual disappearance

from the campaign, if not from

the ballot sheets, of Admiral Pin-

heiro de Azevedo is considered

here to have enhanced considerably

the General's chances of

gaining the absolute majority re-

quired to give him a first-round

victory on Sunday.

Earlier prospects of his achiev-

ing this were thought to have

been damaged by bitter attacks

from his opponents alleging that

he could take Portugal back to

authoritarian rule and also by the

rough methods his supporters

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The allegations and counter-

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